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**GOVERNANCE**

*for* **Civil Services Examination**

# Contents

## UNIT - 1: ASPECTS OF GOVERNANCE

### 1.1: AN INTRODUCTION ..... 02-24 TO GOVERNANCE

- Meaning of Governance ..... 2
- Evolution of Governance in India ..... 2
- Stakeholders of Governance ..... 4
- Basic characteristics of governance ..... 4
- Dimensions of Governance ..... 5
- Forms of Governance ..... 7
- Governance in India ..... 12
- Two important elements of ..... 14  
governance in India
- State of Governance in India ..... 17
- Good Governance ..... 18
- Minimum Government- Maximum ..... 23  
Governance

### 1.2: TRANSPARENCY & ..... 25-37 ACCOUNTABILITY

- Transparency ..... 25
- Accountability ..... 25
- Mechanisms of Transparency & ..... 27  
Accountability
- Role of Government Institutions ..... 32  
in ensuring Transparency  
& Accountability
- Conclusion ..... 36

### 1.3: CITIZEN'S CHARTER ..... 38-45

- Benefits of Citizen Charter ..... 38
- Origin of Citizen's Charter ..... 39
- Evolution of Citizen's Charter ..... 39

in India

- Citizen Charter in India: ..... 40  
An Evaluation
- Gram Panchayat Citizens' Charter .... 41
- Problems Faced in Implementing ..... 42  
the Charters
- Steps to improve Citizen Charters ..... 42
- Indian Approach to Citizen Charter: .. 43  
Sevottam Model
- Administrative Reforms ..... 44  
Commission's Seven Step  
Model for Citizen Centricity
- Right to Service ..... 45

### 1.4: E-GOVERNANCE ..... 46-55

- Introduction ..... 46
- Models of e-Governance ..... 47
- Significance of E-Governance ..... 47
- Challenges for e-Governance ..... 48  
in India
- Major e-Governance Initiatives ..... 50  
in India
- Suggestions for Implementing ..... 54  
e-Governance Projects
- Conclusion ..... 55

### 1.5: RIGHT TO INFORMATION .. 56-61 (ACT) 2005

- The Right to Information (Amendment)  
Act, 2019 ..... 60
- 2<sup>nd</sup> ARC recommendation on RTI ..... 60
- Conclusion ..... 61

## UNIT - 2: DEVELOPMENT PROCESS

### 2.1: DEVELOPMENT PROCESS ..... 63 & THE DEVELOPMENT INDUSTRY

### 2.2: CIVIL SOCIETY ..... 65

### 2.3: NON-GOVERNMENTAL ..... 69 ORGANIZATION (NGO)

### 2.4: MICRO FINANCE ..... 77

<b>2.5: SELF-HELP GROUP (SHG)..... 82</b>	<b>2.7: FOREIGN AID TO INDIA ..... 93</b>
<b>2.6: CHARITABLE TRUST..... 89</b>	

## UNIT - 3: CIVIL SERVICES IN DEMOCRACY

### 3.1: ROLE OF CIVIL SERVICES .. 97-110 IN A DEMOCRACY

- Core Democratic Characteristics..... 97
- Relation Between Democracy ..... 98  
and Bureaucracy
- Civil Services and Development ..... 100
- Need of reform in civil services ..... 102
- Civil Service Reforms and Good ..... 102  
Governance
- Civil Service Reforms (CSR) and ..... 102

Socio-Economic Development

- Steps taken for reforming ..... 103  
civil services
- Suggestions for Civil Service ..... 105  
Reforms
- Conclusion ..... 109

### 3.2: RELATION BETWEEN .... 111-115 CIVIL SERVANTS & POLITICAL EXECUTIVES

## UNIT - 4: SOCIAL SECTOR

### 4.1: HEALTH ..... 117-132

- Healthcare Infrastructure in India..... 117
- Levels of Health Care ..... 119
- Primary Healthcare (PHC) in India... 121
- General Issues with Public Health... 122  
System in India
- Government Initiatives for ..... 124  
Health Sector
- COVID-19 and Healthcare System .. 130  
in India

### 4.2: EDUCATION..... 134-150

- Education in Indian Constitution..... 134
- Levels of education in India ..... 135
- Secondary Education in India ..... 137
- Higher Education in India ..... 139
- Overall Issues and Challenges ..... 139

in Indian Education System

- Impact of COVID on education ..... 141  
in India
- Schemes & Campaigns to Boost..... 141  
Education System in India
- Suggestions and Way forward..... 142
- Digital Education in India..... 142
- Recommendations of Education ..... 147  
Commissions / Committees in  
Post Independent India
- National Policies on Education ..... 148  
(NPE)
- National Education Policy 2020..... 148

### 4.3: HUMAN RESOURCE ..... 151-159

- Human Development..... 151
- Human Resource ..... 153

## UNIT - 5: ISSUES RELATING TO POVERTY & HUNGER

### 5.1: POVERTY ..... 161-170

- Concept/Index Related to Poverty... 168

### 5.2: HUNGER..... 171-178

## **UNIT - 6: WELFARE SCHEMES & MECHANISM FOR VULNERABLE SECTIONS OF THE POPULATION**

<b>6.1: INSTITUTIONAL ..... 180-189</b>	<b>6.2: SCHEMES FOR ..... 190-220</b>
<b>MEASURES FOR WELFARE OF VULNERABLE SECTIONS</b>	<b>VULNERABLE SECTIONS</b>
<ul style="list-style-type: none"><li>◦ Issues Related to the Weaker ..... 180 Sections &amp; Vulnerable groups in India</li><li>◦ Constitutional Provisions for the ..... 181 Welfare of Society</li><li>◦ Institutional Measures ..... 182</li><li>◦ Laws for Welfare of Vulnerable..... 187 Sections</li></ul>	<ul style="list-style-type: none"><li>◦ Schemes for Women ..... 190</li><li>◦ Scheme for Children ..... 191</li><li>◦ Scheme for Divyangs..... 196</li><li>◦ Scheme for Scheduled Tribes ..... 198</li><li>◦ Scheme for Poor ..... 199</li><li>◦ Overall Performance of the ..... 218 Welfare Schemes</li></ul>

## **UNIT - 7: PRESSURE GROUPS, POLITICAL PARTIES AND ELECTIONS**

<b>7.1: PRESSURE GROUPS ..... 222-227</b>	<ul style="list-style-type: none"><li>◦ Political Parties and Governance .... 234</li></ul>
<b>7.2: POLITICAL PARTIES ..... 228-242</b>	<b>7.3: ELECTIONS ..... 243-262</b>
<b>IN INDIA</b>	

**UNIT**

**1**

**ASPECTS OF  
GOVERNANCE**

# 1.1

## AN INTRODUCTION TO GOVERNANCE

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### Meaning of Governance

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Governance has been defined to refer to structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation. Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive. Governance therefore can be subtle and may not be easily observable. In a broad sense, governance is about the culture and institutional environment in which citizens and stakeholders interact among themselves and participate in public affairs. It is more than the organs of the government.

International agencies such as UNDP, the World Bank, the OECD Development Assistance Committee (DAC) and others define governance as the exercise of authority or power in order to manage a country's economic, political and administrative affairs. The 2009 Global Monitoring Report sees governance as 'power relationships,' 'formal and informal processes of formulating policies and allocating resources,' 'processes of decision-making' and 'mechanisms for holding governments accountable.'

Often there is a tendency to equate governance with management, the latter primarily referring to the planning, implementation and monitoring functions in order to achieve pre-defined results. Management encompasses processes, structures and arrangements that are designed to mobilize and transform the available physical, human and financial resources to achieve concrete outcomes. Management refers to individuals or groups of people who are given the authority to achieve the desired results. Governance systems set the parameters under which management and administrative systems will operate. Governance is about how power is distributed and shared, how policies are formulated, priorities set and stakeholders made accountable.

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### Evolution of Governance in India

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#### Governance in Pre-Independence India:

In the Colonial Government of British Raj, India was divided into two main entities – The British India which consisted of 11 provinces and the Princely states ruled by Indian princes under subsidiary alliance policy. With some powers devolved at provincial level and local level, mainly centre of governance was seen with earlier Governor General and later Viceroy of British India serving their imperial interests.

In India, colonial governance was mainly inclined towards economic exploitation of India by different means. Exploitation of India which was started initially in the form of trade, later on other forms of exploitation were made through investment income in the form of dividends and profits and through payment of costs of British administration in the form of home charges. These included salaries of British army and civil officers, payment of pensions, furloughs and other benefits and also payment of interest on Sterling debt.

Thus the main forms of colonial exploitation in India were:

- Trade policies with the objective of developing a colonial pattern of trade in which India became an exporter of primary products like raw materials and food stuffs and an importer of manufactures;
- Encouragement of British Capital to participate in direct investment in Indian consumer goods industries;
- Encouragement of finance capital in the country through Managing Agency System for appropriating a major portion of the profits through various malpractices; and
- Forcing India for paying the costs of British administration and also to finance the wars and expeditions conducted by the British Government.

## **Governance in Post-Independence India till 1991:**

Alike any other post-colonial state, India after gaining Independence, adopted the policy of planned economy, led by the government and its public sectors. Subsequently, Planning Commission was set up on 15 March 1950 and the plan era started from 1 April 1951 with the launching of the First Five Year Plan (1951-56).

Long term objectives of Five Year Plans in India are:

- High Growth rate to improve the living standard of the residents of India.
- Economic stability for prosperity.
- Self-reliant economy.
- Social justice and reducing the inequalities.
- Modernization of the economy.

The idea of economic planning for five years was taken from the Soviet Union under the socialist influence of first Prime Minister Pt. Jawaharlal Nehru. The first eight five year plans in India emphasised on growing the public sector with huge investments in heavy and basic industries, but since the launch of Ninth five year plan in 1997, attention has shifted towards making government a growth facilitator.

## **Governance in India after 1991 Reforms:**

But the policy of planning was found to be inadequate and inappropriate in achieving the required goals of economic progress and poverty alleviation. By the late 1980s, there was a growing realisation among the policymakers in the government that the planned strategy of economic development failed to achieve the developmental goals of India. The term governance gained currency in India with the liberalisation of the Indian economy in 1991. Some of the reasons behind it were:

- Deeply entrenched corruption in governmental institutions and programmes along with all-pervasive political corruption.
- Rapid transformation in the international political and economic environment
- Due to the financial crunch and lack of competitiveness in the public sector, there was critical pressure on the state to open the economy to the private sector (market).
- The public sector proved to be incapable and inefficient in delivering public goods, leaving a vacuum in service delivery. It provided legitimacy to the role of the market and civil society.
- It was an Acknowledgement of the limits of the government in terms of resources and legitimacy.

**The term governance gained currency in India with the liberalization of the Indian economy in 1991.**

- When during the 1990s World Bank raised the issue of governance, and this immediately became an issue of concern in India. The document of the Ninth Five Year Plan (1997- 2002) released in April 1999 included a



Chapter on “Implementation, Delivery Mechanism and Institutional Development.” In this chapter, a review had been done on the implementation of five-year plans in India to identify weak spots in the formulation and implementation of plan programs to find a solution to the weaknesses.

- The issue of decentralization in development planning, accountability of the implementing agencies, and monitoring and evaluation of programs were raised. This was followed by a more specific chapter titled, “Governance and Implementation” in the Tenth Five Year Plan (2002-2007). It defines Governance as “the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, on one hand, and provide opportunities to realize their potential and enlarge the set of available choices, on the other.
- The Eleventh Five Year Plan (2007-2012) signified that the vision of inclusive growth, reducing poverty, and bridging the various divides that continue to fragment our society can only be achieved if there is a significant improvement in the quality of governance. The twelfth five-year plan (2012-2017) defined good governance as an essential element of any well-functioning society.
- These processes, covering the political, social, and economic aspects of life impact every level of human enterprise, be it the individual, the household, the village, the region, or the national level. It covers the State, civil society, and the market, each of which is critical for sustaining human development.

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## Stakeholders of Governance

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- The state is the principal actor in governance. While other actors may include political actors and institutions, interest groups, civil society, media, non-governmental and transnational organizations. The other actors involved in governance vary depending on the level of government. Typically, the stakeholders of governance at national level can be categorized into three broad categories – State, Market and Civil Society which are as follow:
  - ▶ **State:** The state is the principal actor of government to facilitate participation and provide an enabling environment to other elements of the society. It is a strong entity that recognizes the significance and autonomy of the other sectors without overwhelming them.
  - ▶ **Civil Society:** civil society can play an important role in reforming the state in the badly governed countries and through interrogation and collaboration can help promote democracy, rule of law and social justice. .They include citizens and non-state actors such as civil society organizations, academia, private sector and business groups.
  - ▶ **Market:** A market-based governance system is derived from common law. It is one of several governance systems that have developed throughout the world.

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## Basic characteristics of governance

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- **Accountability:** Governance lays emphasis on making all the organs of government accountable for the performance of functions. In present times, we find instances of police being held accountable in cases where they fail in discharging their duty of nabbing the culprits. People question, and through demonstrations, and mass protests demand justice. Also during elections, the electorates if they are not satisfied with the performance of elected representatives in their constituencies, vote them out of power. All these indicate the significance given to accountability in the governance process.
- **People’s participation:** Governance aims at seeking the participation of people in various developmental activities. The Panchayati Raj Institutions (PHs) and the municipal bodies in India are locally elected representative bodies looking after the management of local affairs. For more people’s participation, the 73rd and 74~ Constitutional Amendments have provided for ‘ward’ committees in every municipality, and ‘gram sabha’ in every panchayats.
- **Rule of Law:** Governance requires a well-drafted and fair legal framework that protects the interests of people and provides them justice.
- **Transparency:** Administration in the traditional sense functioned on the principle of secrecy and it was quite

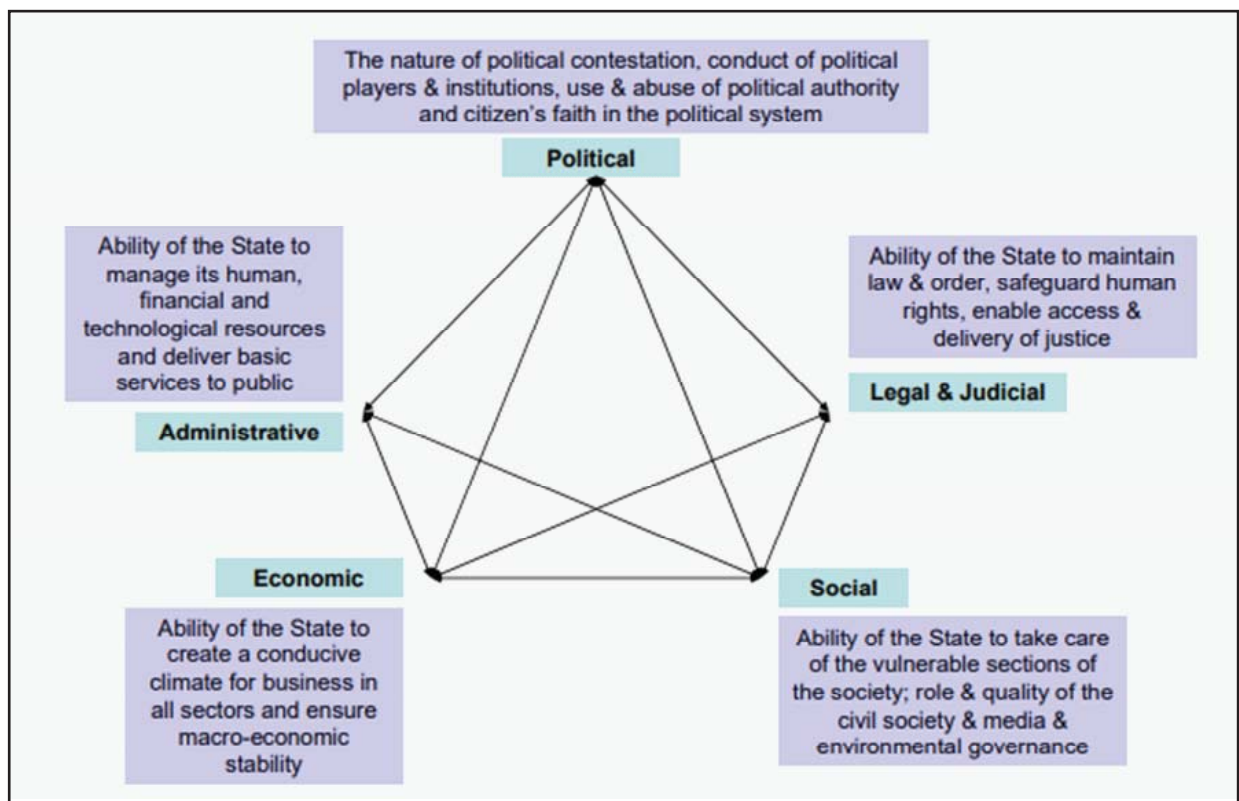


secretive in letting out information to the people whom they serve. Now there is a change in the scenario. People, being participants in the governance process, are desirous of accessing information from the administration regarding matters that concern them. For example, if a farmer in the village would like to know about the amount being spent by the local administration on a development scheme, it has to be furnished. This is true not only with public or government organisations, but also with private sector organisations. They are supposed to provide the necessary information solicited by the person who is securing the services from it.

- **Effectiveness and Efficiency:** Governance is characterised by effective and efficient service delivery from any organisation. For instance, you visit the electricity office for payment of bill. The service, in most of the places, being computerised facilitates effective and efficient delivery. There is a concern, which is gradually being imbibed by organisations to provide services to the satisfaction of citizens.

## Dimensions of Governance

### Political Dimension of Governance



- The political dimension is the most essential aspect of governance. Without this dimension, other dimensions would be meaningless because it is the political process that brings in the key governance values of participation, accountability and transparency.
- As the formal political arrangements such as eligibility to vote, political parties, legislatures, etc. often coexist with informal levers to control state power, it is important to go beyond these arrangements; one way of doing this is to get a feel of the people's trust in these processes and institutions.
- This dimension accordingly looks at the quality of political contestation, conduct of individuals and institutions representing the people, use and abuse of political authority, decentralization of powers and citizen's faith in the political system both from a set of secondary data as also from the subjective perception of different sections of society.
- This dimension has been broken down into four components:

- ▶ **Exercise of franchise:** This is the doorway to democratic governance which establishes legitimacy and accountability of the government by enabling participation by the citizens.
- ▶ **Profile and Conduct of Political Representatives, Political Parties and the Political Executive:** While the process of electoral democracy provides an enabling environment to the practice of democratic governance, it is the quality (evident in terms of conduct, attitudes and values) of the people's representatives, which determines effectiveness of accountability and participation in practice.
- ▶ **Functioning of Legislature:** The role of the legislature is critical to the way governance takes shape in any particular State
- ▶ **Political Decentralization:** This not only reflects the willingness of the State to comply with constitutional imperatives, but also is an important indicator of empowerment at the grassroots level.

## Legal & Judicial Dimension of Governance

- The state is vested with coercive power to maintain law and order. It is one of its sovereign functions. Yet, this power is limited by citizens' rights and freedoms. Ideally, the State should exercise its right to use force in an effective and judicious manner without overriding the fundamental rights of the citizens.
- Another important responsibility of the state is to ensure that everybody has access to speedy justice. Both of the above have a vital implication for economic activity. When the general law and order is seen to be poor, investors, businesses, etc. stay away from the State, thus affecting its ability to provide employment opportunities to its people.
- Poor performance in ensuring security, protecting rights and providing speedy justice would give rise to parallel power centres, which undercut the government.
- This dimension seeks to measure whether the state's exercise of power is within its boundaries as also its ability to effectively maintain law and order, safeguard human rights and enable access to & delivery of justice.
- This dimension has been broken down into four basic components:
  - ▶ Law & Order and Internal Security
  - ▶ Safeguarding of basic rights
  - ▶ Police Administration and Citizen-friendliness of the Police
  - ▶ Access to Justice and Judicial Accountability

## Administrative Dimension of Governance

- The citizens, particularly the poor and disadvantaged among them, depend on the government for a host of services viz. primary healthcare, education, water and sanitation, basic infrastructure, etc.
- The administrative dimension is a critical aspect of governance because it determines the ability of government to deliver basic services to citizens by efficiently managing the human and financial resources.
- The administrative dimension also includes performance of the State on vigilance and anti-corruption matters as well as responsiveness and transparency in administration.
- This dimension has been broken down into four components:
  - ▶ **Citizen Interface and Engagement:** This component indicates the citizen-centricity of government agencies in their day-to-day functioning
  - ▶ **Managing Human, Financial and other resources:** This aspect looks at how human resources in government are managed.
  - ▶ **Basic Service Delivery:** The cutting edge of administrative governance is the timely delivery and the quality of basic services
  - ▶ **Corruption Perception, Vigilance & Enforcement:** This dimension also examines corruption

## Economic Dimension of Governance

- The economic dimension pertains to the ability of the state to ensure macro-economic stability and create conducive climate for economic activity to take place across different sectors of the economy.

- Governance is also reflected in the state's ability to provide support to the primary sector (agriculture & allied activities).
- This dimension has been broken down into three components:
  - ▶ Fiscal Governance
  - ▶ Business Environment
  - ▶ Support to the Primary Sector

## Social Dimension of Governance

- The social dimension pertains to the ability of the state to take care of the vulnerable sections of the society.
- At the same time, given the importance of the civil society and media in the governance process, this dimension also seeks to assess governance by examining the role and quality of the civil society and media.
- Environmental management as a separate component is also included due to its increasing importance in governance.
- This dimension has been broken down into three basic components:
  - ▶ Welfare of the Poor and Vulnerable
  - ▶ Role of Civil Society and Media
  - ▶ Environmental Management

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## Forms of Governance

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### Public Governance

- Public governance is an interdisciplinary field of study centering on relationships of power between government authorities, civil society and the market, in a context of transformations in the ability of political communities to legitimately govern themselves and act effectively. These relationships can vary in nature, embodying relationships of authority (i.e., authority exerted by the State but also by the market through the enforcement of contractual arrangements) as well as relationships of influence and persuasion, coercion and manipulation.
- **In general terms, public governance occurs in three broad ways:**
  - ▶ Through networks involving public-private partnerships (PPP) or with the collaboration of community organisations
  - ▶ Through the use of market mechanisms whereby market principles of competition serve to allocate resources while operating under government regulation
  - ▶ Through top-down methods that primarily involve governments and the state bureaucracy

### Private Governance

- Private governance occurs when non-governmental entities, including private organizations, dispute resolution organizations, or other third party groups, make rules and/or standards which have a binding effect on the "quality of life and opportunities of the larger public."
- Simply put, private—not public—entities are making public policy. For example, insurance companies exert a great societal impact, largely invisible and freely accepted, that is a private form of governance in society; in turn, reinsurers, as private companies, may exert similar private governance over their underlying carriers.

## Global Governance

- Global governance is a purposeful order that emerges from institutions, processes, norms, formal agreements, and informal mechanisms that regulate action for a common good. Global governance encompasses activity at the international, transnational, and regional levels, and refers to activities in the public and private sectors that transcend national boundaries.
- In this conception of global governance, cooperative action is based on rights and rules that are enforced through a combination of financial and moral incentives. In the absence of a single authoritative institution or world government structure, global governance is comprised of elements and methods from both the public and private sectors. These basic elements include agreed upon standards, evolving norms based on shared values, and directives issued and enforced by states.
- Methods of global governance include harmonization of laws among states, international regimes, global policy issue networks, and hybrid institutions that combine functions of state agencies and private sector organizations.

### Need for Global Governance

- Global governance is necessary because humanity increasingly faces both problems and opportunities that are global in scale. Today, transnational problems such as violence and pandemics routinely reach across borders, affecting us all. At the same time, the increasingly integrated global system has also laid the necessary foundations for peace and spectacular prosperity.
- Effective global governance will allow us to end armed conflict, deal with new and emerging problems such as technological risks and automation, and to achieve levels of prosperity and progress never before seen.
- The recent outbreak of the COVID-19 pandemic demands imperative discussions in the field of health security and global governance. In 2020 the Prime Minister of India called for reform in multilateral organisations at G20 to ensure better global governance.

## Corporate Governance

- Corporate governance relates to moral principles, values, and practices that facilitate the balance between economic and social goals and between individual and common goals. It aims to coordinate the interests of individuals, businesses, and society as a governance structure emphasizing the common interest as much as possible.

### ■ Need for corporate governance

- ▶ Provide a regulatory framework and an environment conducive to effective economic activities
- ▶ Ensure that businesses are citizens in human rights, social responsibility, and environmental protection
- ▶ Promote the adoption of codes of ethics in business in achieving the objectives of enterprises;
- ▶ Ensure that corporations treat all their stakeholders (shareholders, employees, suppliers, customers, ...) in a fair and transparent
- ▶ Provide for the responsibility of management and directors.

### ■ Corporate Governance in India

- ▶ Corporate governance concept emerged in India after the second half of 1996 due to economic liberalization and deregulation of industry and business. With the changing times, there was also need for greater accountability of companies to their shareholders and customers. The report of Cadbury Committee on the financial aspects of corporate Governance in the U.K. has given rise to the debate of Corporate Governance in India.
- ▶ The Satyam Computer Services scandal (2009) was India's largest corporate fraud. The founder and directors of India-based outsourcing company Satyam Computer Services, falsified the accounts, inflated the share price, and stole large sums from the company. Much of this was invested in property.



- ▶ Satyam Scandal rocked corporate India and laid bare many alarming truths about the inadequacies of the country's corporate governance standards. The government reacted to the fraud by overhauling the regulatory framework, with the new Companies Act 2013, which fixed liabilities of auditor and independent directors, among other changes. In 2014, market regulator SEBI amended Clause 49 of listing guidelines to improve corporate governance.

## **Environmental Governance**

- Environmental governance comprises of rules, practices, policies, and institutions that shape how humans interact with the environment. It is a process that links and harmonizes policies, institutions, procedures, tools, and information to allow participants (public and private sector, NGOs, local communities) to manage conflicts, seek points of consensus, make fundamental decisions, and be accountable for their actions.

### **■ Need for environmental governance**

- ▶ Environmental governance is essential to achieve sustainable development and to protect the environment. It is an important instrument to reduce tensions within and between countries on the use of natural resources, thus contributing to building trust and confidence at all level and, as a consequence, to strengthening security.

### **■ Environmental governance in India**

- ▶ The history of environmental governance in post-independent India started from the United Nations (UN) Conference on Human, Environment and Development in Stockholm in 1972.
- ▶ A National Environmental Planning and Co-Ordination Committee was formed. In 1972, the Central Pollution Control Board was set up followed by the state boards. The department of environment came into existence on November 1, 1980 followed by state departments.
- ▶ Environmental laws on water (1974), air (1981) and forest conservation (1981) were passed, as also the umbrella act of Environment Protection (1986). An Environment Policy and Strategy Statement was issued in the year of the UN Conference on Environment and Development in 1992. Environment Impact Assessment for 32 sectors became compulsory by a notification passed in 1992.
- ▶ Environment approval committees were formed for each sectoral assessment and all power was vested with the Centre. In 1996, India became a nation to follow the environmental governance system with a series of further controlling notification on coastal zone management, hill development, disposal of wastes (biomedical, plastic, hazardous). Public Interest Litigation provided justice through the Supreme Court and high courts.

## **Internet Governance**

- Internet governance refers to the rules, policies, standards and practices that coordinate and shape global cyberspace. Internet governance should not be confused with e-governance, which refers to governments' use of technology to carry out their governing duties.
- The Internet is a vast network of independently-managed networks, woven together by globally standardized data communication protocols (primarily, Internet Protocol, TCP, UDP, DNS and BGP). The common adoption and use of these protocols unified the world of information and communications like never before. Millions of digital devices and massive amounts of data, software applications, and electronic services became compatible and interoperable. The Internet created a new environment, a complex and dynamic "cyberspace."
- While Internet connectivity generated innovative new services, capabilities and unprecedented forms of sharing and cooperation, it also created new forms of crime, abuse, surveillance and social conflict. Internet governance is the process whereby cyberspace participants resolve conflicts over these problems and develop a workable order.
- Since the first phase of World Summit on Internet Society in 2003, nations have called for a transparent, democratic and multilateral governance of the Internet.

- To help ensure interoperability, several key technical and policy aspects of the underlying core infrastructure and the principal namespaces are administered by the Internet Corporation for Assigned Names and Numbers (ICANN), which is headquartered in Los Angeles, California. ICANN oversees the assignment of globally unique identifiers on the Internet, including domain names, Internet protocol addresses, application port numbers in the transport protocols, and many other parameters.
- The issue of Internet governance (IG) was elevated at the global forum post the Snowden revelations.
- There have been debates globally on whether in its attempts to create new International Telecommunication Rules (ITRs), the ITU trying to control the Internet, and encourage censorship. India has joined countries like US, UK and Canada to oppose government regulation of the Internet at the ITU WCIT meetings at Dubai, concluded on 14th Dec 2012, where new ITRs are being negotiated - the existing ITRs agreed upon in 1988 covered only international telephony.

## ■ The Internet Governance Forum (IGF)

- ▶ The Internet Governance Forum (IGF) is a multistakeholder platform bringing together representatives from various groups, considering all to be at par to discuss public policy issues related to the Internet.
- ▶ India, with more than 1.4 billion citizens, 1.2 billion mobile users, and 800 million Internet users, demonstrates the growing Internet culture in the country. E-Governance and National Security becomes of paramount importance in India, specially with enhanced cyber space.
- ▶ India IGF (IIGF) will provide the ability to facilitate discussions between intergovernmental organisations, private companies, technical community, academic community and civil society organisations who are involved in Internet governance-related public policy issues.

## e-Governance

- The e-governance and e-governance services is a holistic concept that defines and assesses the impact that information technology and communication have on government practices and relations between government and society as a whole. The e-governance not only supports improved access to information and political processes but also an approach called participatory fundamentally changes the relationship between government and society.
- The concept of e-governance can be understood in a broad sense as a kind of superstructure, which covers the use of electronic technologies in three key areas of public action:
  - ▶ Relations between government and civil society;
  - ▶ The functioning of public authorities at all levels of planning;
  - ▶ The provision of public services.
- E-governance has an indirect influence on relations between governments and their citizens, strengthening the participation and involvement of citizens in political choices so that their rights and duties are better understood and respected.

## Democratic Governance

- Democratic governance beyond the issues of institutions and forms of government. It covers the social coordination mechanisms involved in political action and therefore relies on two assumptions.
- Democratic regimes are expected to function in tune with governance indicators. This implies that there has to be rule of law, participation in decision making, actions and inactions of the state be open to scrutiny and most of all, the public policies have to be responsive and effective to the needs of people.
- In governance methodology, every section of the society should have participatory role in defining matters that concerns the. If one looks closely, this is the ultimate aim of democracy as well. However, functional outcomes of both – democracy as well as governance, depends upon the quality of structure – how they perform and reach to a conclusive end.
- Democracy is a form of government and Governance is the way government (authorities) operates. Normally, it is expected that the governance will be in sync with the demands of citizen (voice) but a lot here depends upon the enlightened role of state machinery and active cooperation of citizenry.



- This approach to democratic governance is a proposal to rebuild the state and its relations with society.

## Participatory Governance

- Participatory governance is embodied in processes that empower citizens to participate in public decision-making, and it has been gaining increasing acceptance as an effective means to tackle 'democracy deficits' and improve public accountability.
- Around the world, a growing number of governments and their partners in civil society are experimenting with innovative practices that seek to expand the space and mechanisms for citizen participation in governance processes beyond elections. There is evidence that participatory governance practices are contributing to stronger government transparency, accountability and responsiveness, and improved public policies and services.
- In India, decentralisation and participatory governance found constitutional support after the passing of the 73rd and 74th Constitutional Amendments in 1993.

### ■ Tools of participatory governance

- ▶ **Public information** – A first step towards participatory governance is helping citizens to have access to relevant information about government policies, decisions and actions. This category contains tools relating to advocating for freedom of information, supporting government transparency and facilitating the dissemination of public information.
- ▶ **Advocacy and citizen voice** – This section contains a number of tools for enhancing citizen advocacy, and helping citizens to publicly express their opinions and concerns.
- ▶ **Public dialogue** – This section describes a range of innovative approaches and tools for promoting more productive interactions and enhancing dialogue between multiple state and non-state actors.
- ▶ **Electoral transparency and accountability** – The tools presented here contribute to ensuring that elections are free and fair and help citizens make informed choices and hold politicians accountable for their electoral promises.
- ▶ **Policy and planning** – The design and implementation of public policies and plans that respond effectively to citizens' priorities and needs are a key task of any government. These tools enable citizens and civil society organisations to contribute meaningfully to processes of public policy-making and planning, at both the local and national level.
- ▶ **Public budgets and expenditures** – Transparent, accountable, effective and efficient public financial management is key to good governance. The tools in this section will help citizens understand and influence decisions about the allocation of public resources, monitor public spending and hold governments accountable for their management of public financial resources.
- ▶ **Monitoring and evaluating public services** – Services such as health care, education, water and sanitation and public transport are essential for citizens to survive and thrive. This important collection of tools offers innovative ways for citizens to monitor and evaluate the accessibility, quality and efficiency of public services – leading to improved services and better quality of life for all citizens.
- ▶ **Public oversight** – Many governments around the world are plagued by corruption, patronage and lack of accountability. This section outlines a number of methods that citizens and civil society organisations can use to monitor and oversee public action and seek retribution for injustices or misdeeds.

## Data Governance

- Data governance means setting internal standards—data policies—that apply to how data is gathered, stored, processed, and disposed of. It governs who can access what kinds of data and what kinds of data are under governance. Data governance also involves complying with external standards set by industry associations, government agencies, and other stakeholders.
- Data governance is necessary to assure that data is safe, secure, private, usable, and in compliance with both internal and external data policies. Data governance allows setting and enforcing controls that allow greater access to data, gaining the security and privacy from the controls on data.

## ■ Meaning of personal data and data protection

- ▶ Data can be broadly classified into two types: personal and non-personal data. Personal data pertains to characteristics, traits or attributes of identity, which can be used to identify an individual.
- ▶ Non-personal data includes aggregated data through which individuals cannot be identified. For example, while an individual's own location would constitute personal data; information derived from multiple drivers' location, which is often used to analyse traffic flow, is non-personal data.
- ▶ Data protection refers to policies and procedures seeking to minimise intrusion into the privacy of an individual caused by collection and usage of their personal data.

## ■ Data governance in India

- ▶ In August 2017, the Supreme Court held that privacy is a fundamental right, flowing from the right to life and personal liberty under Article 21 of the Constitution. The Court also observed that privacy of personal data and facts is an essential aspect of the right to privacy.
- ▶ In July 2017, a Committee of Experts, chaired by Justice B. N. Srikrishna, was set up to examine various issues related to data protection in India.
- ▶ The Committee submitted its report, along with a Draft Personal Data Protection Bill, 2018 to the Ministry of Electronics and Information Technology in July 2018. The Statement of Objects and Reasons of the Personal Data Protection Bill, 2019 states that the Bill is based on the recommendations of the report of the Expert Committee and the suggestions received from various stakeholders.
- ▶ Also, in December 2020, a Committee of Experts (CoE) appointed by the Indian government to deliberate on data governance released its report on Non-Personal Data Governance Framework (NPD Framework).
- ▶ The CoE has proposed creating national legislation and a regulator, the Non-Personal Data Authority (NPDA), to establish rights of India, Indian citizens and communities over non-personal data (NPD) collected and created in India. The stated aims of the framework are to i) generate economic, social and public value through processing and use of data, ii) incentivize innovation and encourage start-ups iii) address privacy concerns from the processing of non-personal data.
- ▶ Although not a new area of policymaking, the renewed focus on NPD is noteworthy because if the proposed framework passes muster, India could become the first country to put in place a comprehensive framework for non-personal data.

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## Governance in India

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- In India, after independence, several steps were taken for promotion of welfare state and catering to the needs of the people. The Constitution of India was adopted in 1950 and as we have already discussed in Unit 7, the Fundamental Rights and Directive Principles of State Policy have been incorporated in it. Planning was resorted to as an instrument of development to achieve the socio-economic objectives.
- The Planning Commission (Now, NITI Ayog) was set up to institutionalize the planning process. The governance system operates in accordance with the goals set by the planners. These include self-reliance, economic growth, industrialisation, modernization and social justice.
- The Constitution of India provides for setting up of important Commissions such as Election Commission, Finance Commission, National Commission for Scheduled Castes, National Commission for Scheduled Tribes, Union Public Service Commission etc. that play an important role in the governance system. In addition, there are some commissions created by Parliament through enactment of Acts. These include, the National Commission for Women, National Commission for Backward classes, National Human Rights Commission, State Human Rights Commissions.
- All these Commissions function to secure social, political and economic justice, liberty, equity, and dignity of individuals. India's governance structure and mechanisms had been designed and reformed from time to time to meet the overall welfare goals and objectives. The role of government at the time of independence was mostly confined to revenue collection and maintenance of law and order.

- Having attained a certain level of development in several spheres, now the government is initiating several steps to make citizens partners in the development process. Attempts are now on to foster holistic development of the people and promote a more accountable, responsive and citizen friendly government.

## Some of the initiatives towards governance in India

### ■ Citizen's Charters:

- ▶ The government or public agencies such as railways, hospitals, dispensaries, electricity and water department etc., provide services of varied nature to the citizens.
- ▶ Generally people are unaware of the various types of services, procedures, mechanisms of lodging complaints and grievances if they are not satisfied with the services and so on. To facilitate this, the government has introduced the concept of citizens' charters.
- ▶ These are statements that provide information to the public on various aspects useful to them pertaining to the concerned such as the objectives, its functions and the procedures of accessing the services etc. This exercise enables citizens make use of services provided by these agencies with ease and convenience. Next time, you visit any government agency, have a look at their citizens charters.

### ■ Right to Information

- ▶ We have earlier mentioned in this Unit that the information pertaining to the government activities mostly was inaccessible to the citizens. For example, it was even very difficult to track the status of file movement in a government organisation. There was always secrecy in governmental operations.
- ▶ There was reluctance on the part of the concerned organisation to provide information to the citizen. There is a change in the scenario now. The Central Government has enacted the Right to Information Act 2005 and several state governments such as Rajasthan, Karnataka and Madhya Pradesh have also passed the Act. This enables an interested citizen to approach any ministry, department or any government organisation for getting the required information except certain types of information that relate to national defense or security.
- ▶ The Act has laid down clearly various procedures through which one can ask for information and the time frame within which one get it.

### ■ Use of Information and Communication Technology

- ▶ The developments taking place in the area of Information and Communication Technology (ICT) is facilitating efficient and effective service delivery. Even in the rural areas computerisation of land records is taking place. People are having access to computers at Panchayats and they get information about prices of agricultural commodities, auction rates etc.

### ■ Public-Private-People Partnership

- ▶ The Panchayati Raj Institutions at the local level and the urban local bodies known as Nagar Palikas are institutions of self government functioning with the participation of people. Presently the government is securing the participation of private sector and people in several activities.
- ▶ In urban areas, the Resident Welfare Associations (RWAs) are playing an important role in ensuring sanitation, garbage disposal, environmental protection etc., in their respective localities. For example, in Delhi, the Bhagidari (Partnership) Project started in 2000 is getting wide recognition. It is a partnership between government and other agencies such as Municipal Corporation, Water Supply Board, Electricity Supply Undertaking and Resident Welfare Association. They meet at regular intervals and attempt to solve the problems of common concern.

## Two important elements of governance in India

- Policy making
- Policy Implementation

### Public Policy Making

Public policy making is the principal function of the state. Since its formulation is a complex and dynamic process, no theoretical model is adequate to explain the policy formulation totally. According to Vehezkel Dror public policy making is a complex, dynamic process whose components make different contributions to it. It decides major guidelines for action directed at the future, mainly by the governmental organs. These guidelines [policies] formally aim at achieving what is in the public interest by the best possible means. In policy formulation various agencies participate directly or indirectly. The role of the governmental agencies is direct while the role of the non-governmental agencies is indirect. Some of the agencies which take part in policy formulation are legislature, cabinet, state governments, civil servants, judiciary, boards and commissions, mass media, political parties, pressure groups and public. It is essential to examine the role of these agencies in the formulation of an educational policy in India. Some of the agencies are described as below:

- **Legislature:** In a democratic form of government, the role of the legislature as the prime policy making body is significant. It is now regarded as a constitutional procedural device for legitimizing the policies and decisions of government, rather than as an independent policy making unit. The members of the ruling party, having the majority, push through various policy initiatives, which are formulated by the Cabinet, having planned within the respective ministries after consultation with affected interests or concerned communities.
- **Cabinet:** In the democratic form of government, it is the constitutional task of the Cabinet to decide the policies which are to be placed before the legislature for its sanction. Members of the Cabinet are the immediate and proximate policy makers. Within the Cabinet it is said that, the power of the Prime Minister in recent times has increased. It is also stated that the Prime Minister exerts strong influence over policy decisions if he has the majority support of members of the union legislature. Same is the case with the Chief Minister at the state level. The Cabinet and the Cabinet Committees play only an advisory and deliberative role while the real decisions are taken by the Prime Minister himself.
- **State Governments:** In a federal polity like ours the Union Government and the State Governments participate in policy making. The State Governments formulate policies and make laws on items mentioned in the state and concurrent lists. However in most of the federations the role of the state governments got reduced to the minimum owing to various domestic and international political and economic factors. As observed, the financial resources are concentrated in the Central Government the states have necessarily to look to the center for funds.
- **Boards and Commissions (Permanent):** Various boards and commissions attached to different ministries like the Railway Board, the University Grants Commission (UGC), and the Union Public Service Commission (UPSC) assists the respective ministries or the cabinet as a whole in policy formulation when public policy is not in its final stage.
- **Commissions or Expert Committees (Ad hoc):** Apart from Boards and Commissions, which are permanent in nature, the government also constitutes ad hoc expert committees or commissions to seek recommendations regarding administrative reforms and policy initiatives.
- **Bureaucracy:** Public servants at the top management level assist the ministers in policy making. The administrator's role in policy making is to clarify the choices open to politicians and to anticipate their consequences. The bureaucracy, in the developing countries, plays a dominant role in policy making, because of the underdeveloped nature of the political system. Administrators, both specialists as well as generalists, are part and parcel of various policy making bodies.
- **Judiciary:** The Judiciary is also regarded as an important agency in the policy making process. In India, constitution entitles the Supreme Court to exercise judicial review. Policies in many areas have been influenced by judicial decisions.
- **Mass Media:** In an ideal situation, mass media is an important means of communication between the citizen and the government, and so helps in shaping their reactions to each other's decisions. It communicates



information to the citizens about the decision of the government. On the other hand, the media helps the public to articulate their demands and communicates them in political terms. It is a source of information for the government on the public reactions to contemporary problems and issues.

- **Pressure Groups:** Organized groups or association of workers, farmers, teachers, students, traders, civil rights groups, environmental action groups and other non-governmental organizations articulate their demands through various channels. Influential groups pressurize and adopt lobbying techniques to influence the policy decisions.

## ■ Issues Concerning Policy Making in India

- ▶ **Excessive Fragmentation in Thinking and Action:** One of the main problems with policy-making in India is extreme fragmentation in the structure. For example, the transport sector is dealt with by five departments/Ministries in the Government of India. Similar examples exist in the energy, industry and social welfare sectors as well. Such fragmentation fails to recognize that actions taken in one sector have serious implications on other and may work at cross purposes with the policies of the other sector. Besides, it becomes very difficult, even for closely related sectors, to align their policies in accordance with a common overall agenda.
- ▶ **Excessive Overlapping between Policy Making and Implementation:** Another problem is the excessive overlapping between implementation, program formulation and policy making which creates a tendency to focus on operational convenience rather than on public needs. Policy-making in Indian ministries occurs at the levels of Director and above, but the most important level is that of the Secretaries to the Government of India, who are their Ministers' "policy, advisers-in-chief". However, Secretaries spend a large part of their time bogged down on routine day-to-day administration of existing policy. Time is spent anticipating and answering parliamentary questions, attending meetings and functions on implementation issues etc. Partly the problem is symptomatic of over-centralization-excessive concentration of implementation powers at the higher levels of the Ministries. The result is that sub-optimal policies, where adequate attention has not been paid to citizen needs, tend to emerge.
- ▶ **Lack of Non-Governmental Inputs and Informed Debate:** Often public policy is made without adequate input from outside government and without adequate debate on the issues involved. The best expertise in many sectors lies outside the Government. Yet the policy processes and structures of Government have no systematic means for obtaining outside inputs, for involving those affected by policies or for debating alternatives and their impacts on different groups. Most developed countries have a system of widespread public debate before a policy is approved. For example, in the US, the legislature subjects a new policy initiative to extensive debate not only in Committees but also in the Senate and House. Such debates not only enable an assessment of different viewpoints but also help build up a constituency in support of the policy through sound arguments. Probably the only example of fairly systematic consultation of outside expertise in India is in the process of formulating the Central Budget, where there is a long tradition of pre-budget confabulations with chosen members of industry, labour and academia.
- ▶ There are several reasons for a poor pre-policy consultative process. Firstly, structures for consulting outsiders either do not exist or if they do, are moribund. Secondly, in the absence of good consultative structures, outsiders who do make themselves heard in the policy-making process are often single issue advocates. This makes them liable to the charge of having vested interests, and their views lose credibility. Thirdly, outsiders involved in policy are usually allowed to make spasmodic or single issue inputs but are not required to sustain their interaction, to confront trade-offs or to meet the objections of other outsiders with opposite views.
- ▶ **Lack of Systematic Analysis and Integration Prior to Policy-Making:** Policy decisions are often made without adequate analysis of costs, benefits, trade-offs and consequences. There are several underlying causes for this:
  - ◆ Inadequate time spent on policy-making, mainly due to excessive overlap of policy-making and implementation and to over-centralization of implementation authority (discussed above).
  - ◆ Inadequate professionalism of policy-makers and advisers. There is a school of thought which suggests that the excessive involvement of poorly informed generalists is the main cause of poor policy-making and implementation. However, when it comes to the realm of policy-making and the making of trade-offs, experience in government and the private sector suggests that this is usually best handled by an intelligent, well-informed person who has a wide rather than narrow perspective.

- ◆ Even conceding that public policy-making might not be improved by insisting on specialists becoming the policy-makers, it is nevertheless crucial that specialist knowledge be fully consulted and utilized in arriving at policy. There is usually inadequate consultation of in-house specialists.
- ◆ While there are many outstanding specialists working for the Government, there is a widespread feeling that many in-house specialists are not on top of their specialism. This perception of mediocrity vis-à-vis outside experts tends to worsen the problem of inadequate consultation of even the good in-house specialists who get tarred with the same brush. It also promotes an undue respect for outside specialists and the error of accepting poorly formulated prescriptions from outsiders simply because they have a more professional or expert image.

## Policy Implementation

- Implementation is the heart of administration as it consists of carrying out of basic policy decisions. In the policy cycle, it is critical to the successful fulfillment of policy objectives. But implementation is not automatic. The implementation phase is faced with numerous problems. Effective implementation requires a chain of command, and the capacity to coordinate and control; often there are shortfalls in this exercise, more so in a developing country like India.
- In India there has been a dramatic rise in expenditure on programmes of social inclusion but there is growing complaints about implementation. The weaker sections of the society, for whom these schemes are primarily intended, are often not able to benefit because they are not sufficiently empowered to access the benefits due to them. This is despite the fact that there have been a number of legislations aimed at securing legally guaranteed rights to the Indian people, through the Right to Information Act, the Forest Rights Act, the Right to Education Act, the Mahatma Gandhi National Rural Employment Guarantee Act and the soon to be introduced National Food Security Act.
- Part of the problem is that the enactment of right based schemes in an environment of illiteracy and lack of awareness and empowerment does not ensure that people will claim their rights. However, it is also true that the schemes continue to be implemented in a business-as-usual mode, while what is demanded by these programmes is an innovative break from the past. Without reforms in implementation structures, schemes aimed at social inclusion will continue to be afflicted by the universalization without quality ('U without Q') syndrome. Some of the issues are discussed according to the programmes and policies implemented by the GOI:
  - ▶ In PDS problems occur largely at the stage of implementation. The Department of Food and Public Distribution report attributes these difficulties largely to four factors: foodgrains are unlifted, which affects quality and cost of transportation; food grains are diverted to the open market; BPL households are not correctly identified, and foodgrains meant for the consumption of the poorest citizens are diverted to above poverty line (APL) households. 36 per cent of the food produced is estimated to be diverted to the Black Market (Planning Commission). In some states, estimates for this "leakage" reach 80 per cent. 47.5 per cent of cards were estimated to be bogus, i.e., held by ineligible or non-existent households. In most states homeless individuals and street dwellers have difficulty in obtaining the cards, as do newly married persons, migrant workers and inter-state migrant workers.
  - ▶ In MGNREGA a draft report by the Comptroller and Auditor General reveals that on average only 3.2 per cent of registered households could avail of 100 days 'guaranteed' work. The average employment under MGNREGA was just 18 days. Due to administrative deficiencies adequate work has not been accurately calculated for the local workforce. Gaps may result in a lapse of several days between short-term jobs, and there are currently limited projects with the longer-term potential to sustain a village's workforce. Shortages have led not only to "touting" of work, but also pockets where minimum wage is not being provided. This problem is exacerbated when monitoring is ineffective or absent.
  - ▶ In implementation of Right to Education, Public schools suffer from high rates of teacher absenteeism and unfilled posts, lack of resources, deficiencies in basic infrastructure, as well as an overall decline in the number of schools being established that bears no relation to rises in population.
  - ▶ **In implementation of Mid Day Meal scheme the issues are:** Irregularity in serving meals; Irregularity in supply of food grains to schools; Caste based discrimination in serving of food; Poor quality of food; Poor coverage under School Health Programme; Poor infrastructure (kitchen sheds in particular); and Poor community participation.



- ▶ In the implementation of ICDS, Supplementary nutrition has so far largely been restricted to rice and wheat which may cause malnutrition because of absence of micronutrients. Further there are still not enough anganwadis or anganwadi workers, and they lack adequate resources to meet all the nutritional requirements of the pregnant and lactating mothers, infants and small children who need their services.
- ▶ In democratic governance, each government official is accountable to the citizens. In Indian democracy, however, we have a convoluted system of accountability, which is not only very little understood but is almost impossible to put to use. This system of accountability has rendered all government servants completely unaccountable to the public but accountable only to their bureaucratic or political bosses, who exert a corrupting influence on them.
- ▶ The Government of India is involved in a large number of programmes that are in the state list of the Constitution. As these are implemented by the states, GOI has no control over the staff, or over day-to-day supervision or coordination which are very necessary for the success of such schemes. The number of such Centrally Sponsored Schemes has multiplied very fast in the last ten years, and has reached a staggering number.
- ▶ Most schemes follow a blue print and top-down approach, with little flexibility given to field staff. Any change in the scheme requires approval from GOI which is time consuming. Uniformity of schemes all over the country from Mizoram to Kerala, without sufficient delegation to states to change the schemes to suit local conditions, leads to a situation where the states even knowing that the scheme is not doing well become indifferent to its implementation.
- ▶ Many states are ruled by a political party different from that at the Centre. These governments do not put their weight behind CSSs formulated by the Union Government as they see no political advantage in successful implementation of such schemes. The successful implementation of social sector schemes requires a high degree of political commitment (mid-day meal scheme of Tamil Nadu, EGS in Maharashtra, Antyodaya in Rajasthan, and two rupee rice in Andhra are examples) and administrative coordination, which GOI cannot secure for want of control over the staff.
- ▶ States do not release the counterpart funds in time, leading to uncertainty about the availability of funds at the field level. Even the release of GOI funds to the field is held up for several reasons. First, the states have to get legislative approval for GOI schemes, which take time. Second, states do not attach importance to spending on CSSs, and thus are in no hurry to sanction expenditure. And third, fiscal problems at the state level force the states to divert GOI funds for paying salaries.
- ▶ Much time is spent by State Government officials in collecting district, and sometimes block level information, and little in analysis. Officers at all levels spend a great deal of time in collecting and submitting information, but these are not used for taking corrective and remedial action, but only for forwarding it to a higher level, as they have no power to change the nature of CSSs. This defeats the very purpose for which information is collected.
- ▶ Routine has taken over the functioning of government at all levels. Little time is left for officers to initiate reforms or change schemes. With the best of commitment it often takes two years to get a scheme changed. In the meantime the officer gets transferred, and his efforts come to naught. Perception of short tenure dampens the enthusiasm to undertake reforms. Even if such rare individuals exist in government they do not stay at a particular post for a long time to make lasting impact. Incentive structure is also weak.
- ▶ The Criminalisation of the political process and the unholy nexus between politicians, civil servants, and business houses are having a baneful influence on public policy formulation and implementation.
- ▶ The high level of corruption in India has been widely perceived as a major obstacle in improving the quality of governance. While human greed is obviously a driver of corruption, it is the structural incentives and poor enforcement system to punish the corrupt that have contributed to the rising curve of graft in India. The complex and non-transparent system of command and control, monopoly of the government as a service provider, underdeveloped legal framework, lack of information and weak notion of citizens' rights have provided incentives for corruption in India.

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## State of Governance in India

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- In India, the quality of governance is reflected in its many remarkable successes as in the significant failures that it has had to contend with. The ability to forge unity despite its diversity and build a functioning, vibrant and pluralistic democracy is, perhaps, the single most important achievement of democratic governance in India.

- The functioning of democratic institutions, a vibrant market economy, an active civil society and a fearless and independent media are other notable achievements.
- Simultaneously, India continues to make rapid strides in its fight against poverty; and access to basic services such as healthcare, primary education and food security is today almost universal.

## Issues and challenges pertaining to governance in India

- **Strengthening the institutions of governance:** Parliament is the supreme representative institution in India. The political representative represents the electorate. Many a times concerns are expressed on various fronts about the falling standards in the quality of participation, conduct of proceedings and so on. Hence there is need to develop good practices and procedures of parliamentary functioning and make Parliament a dynamic institution in tune with the changing times.
- **Improving the functioning of civil service and bureaucracy:** Ultimately it is the permanent executive that is responsible for policy implementation. It is necessary to develop a responsive civil service that is professional, energetic and caters to people's needs.
- **Reassuring the citizens with establishing an independent and accountable judiciary:** The judiciary is to be seen as an effective instrument of maintenance of rule of law and upholding of social justice.
- Making the private sector accountable through adopting sound business practices, adhering to rules and regulations and protecting the interests of consumers.
- Educating the citizens about their rights and obligations, and making them partners in all development activities.
- The issues and challenges that confront governance require effective functioning of three wings of government namely executive, legislature and judiciary and building appropriate linkages amongst the organs. Governance has to strike a suitable balance between parliamentary supremacy and judicial independence. As the state, private sector and civil society have an important role in governance process, there is a need to assign clear cut roles and responsibilities to these components to enable them to work towards genuine people-oriented development activities.
- Development outcomes have been less than optimal and poverty eradication continues to be a core development issue with nearly a quarter of the Indian population living below the poverty line.
- Employment growth, particularly in the private organized sector, has been limited. Major fiscal imbalances, regional disparities in development and poor law and order are very important issues in many States.
- Delivery of public services remains inefficient and vulnerable sections of society including women, children, schedule castes, schedule tribes and minorities remain marginalized in many parts of the country. These aspects are all manifestations of poor governance in political, economic or public administration domains.
- The 10th Plan document has identified some manifestations attributable to poor governance, which are:
  - ▶ Poor management of economy, persisting fiscal imbalances and regional disparities;
  - ▶ Denial of basic needs to a substantial proportion of the population
  - ▶ Threat to life and personal security
  - ▶ Marginalisation and exclusion of people on account of social, religious, caste or even gender affiliation
  - ▶ Lack of sensitivity, transparency and accountability in many facets of the working of State machinery
  - ▶ Delayed justice
  - ▶ Existence of a significant number of voiceless poor with little opportunity for participating in governance
  - ▶ Deterioration of physical environment, particularly in urban areas

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## Good Governance

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- Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. It is in this context, the study of good governance has become very important in the literature of political science, Administrative Sciences and development studies.

- Good governance is important for several benefits. First and foremost, quality of governance has to be judged by the performance of the relevant institution. Therefore, the goal of the institution has to be clearly defined as a matter of priority. Then, steering towards that goal requires defining decision rights and processes, as well as establishing a feedback loop to verify and control performance.
- Governance is how an institution is ruled; it is how the authority, responsibility, and controls are required in the institution. Governance is relevant to any institution, small or large; for profit or not; extending from a single family all the way to global institutions that have an impact on our lives. Hence, governance is relevant for humanity for quality of life now and for its sustainability in the future.
- It is commonly acknowledged that in the absence of democracy, peace and good governance, sustainable socio-economic progress is not possible. In the context of developing societies there has been an added emphasis on human development in recent years. It means development of human capabilities and opportunities.
- The good governance is a prerequisite for human development and governance which would ensure human development is human governance. It has been widely accepted now that the main reasons for human deprivation are not just economic. There are social and political factors too rooted in poor governance. It is thus clear that the issue of good governance focuses on the inseparable linkages between social-economic and political development.
- It has rightly been pointed out that the good governance means political pluralism with free and fair elections, It means far pending on military preparation and infrastructure and war and much more on education, health and basic amenities. It means fighting the graft and nepotism. This also suggests that good governance has to concentrate more on building a congenial political atmosphere for social and economic development.
- The good governance has also to ensure that the funds of the state are utilized on the development of human and productive areas instead of non-human and nonproductive areas. In short, governance is about performance. Thus the governance in any society, aims to ensure transparency through the exercise of economic political and administrative authority. It basically strives to establish quality relationship between the rulers and the ruled. In the context, governance point out to the nature of mutual interaction among social actors as well as between social actors and public administration, and it contains the meaning the meaning of 'ruling together' with aim of helping individuals realize their potential for improving the quality of their lives.

## 8 major characteristics of good governance by UN

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.



- Participation:** by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.

- **Rule of law:** Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.
- **Transparency:** Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.
- **Responsiveness:** Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.
- **Consensus oriented:** There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.
- **Equity and inclusiveness:** A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.
- **Effectiveness and efficiency:** Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.
- **Accountability:** Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

## Challenges to good governance in India

- **Criminalization of Politics:** The Criminalization of the political process and the unholy nexus between politicians, civil servants, and business houses are having a baneful influence on public policy formulation and governance.
- **Delay in justice:** Delay in disposing cases is a hindrance to good governance, moral integrity and deterioration in standard of public life.
- **Population Growth:** The rapidly increasing population in India is hindrance good governance. The phenomenal growth in numbers requires resources to sustain them. There is an increasing demand on land, air and water resources. Providing adequate educational and health facilities, food, shelter and employment to the growing numbers is a difficult task before any government in India. Population can be stabilized through spread of education, awareness, health education, people's involvement and development etc.
- **Growing incidence of Violence:** Resort to illegal force is considered to be a law and order problem. But when one looks at it from the point of view of the principles of good governance, it becomes clear that peace and order is the first step to development. Strikes, riots, terror attacks are biggest hurdle towards peace and prosperity of a nation. The government can focus on economic, social and political development if it is free from the concerns of threat to public safety and security in terms of life and property.
- **Corruption:** The high level of corruption in India has been widely perceived as a major obstacle in improving the quality of governance. In order to meet the threat of corruption to good governance, the following steps are necessary:
  - ▶ Breaking the nexus between politicians, bureaucrats and criminals.
  - ▶ Ensuring a cost-effective administration of justice.
  - ▶ Setting up of Public interest litigation courts at the national, state and local levels.



- Making right to information more effective.
  - Strengthening law enforcement agencies in terms of autonomy, skills, attitudinal change and awareness of the social problems.
  - Forfeiture of the properties of the corrupt immediately after the charges are framed. Such a property can be released only after the person is proved innocent.
7. Improving bureaucratic functioning by way of simplification of rules, regulations and procedures of work. 8. Mobilizing the society to support the system of rule of law. 9. Putting an end to the system of patronage and nepotism from government organization.

## Good governance measures in India

- **Good Governance Index:** It is an implementable and comprehensive framework that assesses the state of Governance across the Indian States and Union Territories enabling ranking of States and districts.
- **The National Centre for Good Governance (NCGG):** is an autonomous institute under the aegis of Department of Administrative Reforms and Public Grievances, Government of India. Its head office is at New Delhi and branch office at Mussoorie. The NCGG has been set up to assist in bringing about governance reforms through studies, training, knowledge sharing and promotion of good ideas. It seeks to carry out policy relevant research and prepare case studies; curate training courses for civil servants from India and other developing countries; provide a platform for sharing of existing knowledge and pro-actively seek out and develop ideas for their implementation in the government, both at the National & International Level.
- **Citizen's Charters-** It is a document of commitments made by a Government organization to the citizens/client groups in respect of the services/schemes being provided
- Machinery for redress of public grievances– Lokpal and Lokayukta
- Developing various schemes and programs for vulnerable sections and backward areas
- Financial management (FRBM) and budget sanctity
- **Simplification of procedures and processes** – The single window aims to expedite and simplify information flows between trade and government to bring meaningful gains to all parties
- **E-Governance and use of ICT tools-** Government of India is having an ambitious objective of transforming the citizen-government interaction at all levels to by the electronic mode
- Transparency and Accountability measures through RTI and social audit
- **Decentralization and Citizens' Participation** - The 73rd and 74th Amendments to the Constitution of India constitute a new chapter in the process of democratic decentralization in India

## Suggestions to Establish Good Governance in India

- **Strengthening of Local Institutions:** A key diagnostic conclusion regarding the relative lack of success of Plan programmes is that these are designed in a top down manner and do not effectively articulate the needs and aspirations of the local people, especially the most vulnerable. With the 73rd Constitutional Amendment, several functions were transferred to Panchayati Raj Institutions (PRIs). Since 2004, there has also been massive transfer of funds, especially after the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). But institutionally, the PRIs remain weak and they do not have the capacity to plan or implement programmes effectively.
- **Social Mobilization:** The experience with Plan programmes has clearly established the central role of a socially mobilized and aware community as a decisive determinant of success. However, it is also clear that romanticizing community action and presuming that this will happen automatically, is to perpetuate a myth that actually hurts the poor. Local communities will not necessarily allow the poor, Dalits, Adivasis and women, to express themselves. The States that have emphasised the role played by social mobilizes and have made specific financial and human resource provisions have, invariably, succeeded. It is the participation of users in planning, implementation and social audit of these programmes which has proved critical to their success. It is only when we recognize the key role of social mobilizes in raising awareness and engendering active participation of local people, especially women, that the true potential of demand-driven and bottom-up programmes such as MGNREGA, TSC and NRLM are effectively realized.

- ◉ **Role of Voluntary Sector:** To strengthen governance at the panchayat, block, district, State and Central levels with special focus at the critical level of the district planning board, it is essential to build mechanisms that institutionalize consultative planning to enable greater representation of the stakeholders. One way of achieving the same is through institutionalized consultations with the voluntary sector. The Voluntary Sector can help build a self-reliant, motivated and harmonious social order by enabling people and people's groups to access democratic processes and entitlements that lead to empowerment. It can also present a critique of public functioning and provide alternatives. Its inherent objective being to ensure enhanced participation of people and articulation of agreement or dissent against use of excessive power by State and failure of the market institutions to reach the poor.
- ◉ **Effective Design and Implementation:** While formulating schemes, it is important to ensure that they are well-designed for the objective at hand and also that the guidelines and procedures help in effective implementation. Some of the areas which will need focus in ensuring good architecture of the schemes will be:
  - ▶ While preparing the schemes, the central ministries role would be to act as a knowledge partner and enabler to the project implementation, which will be typically in the states. For this ministries will prepare capabilities in preparing for scheme design and creation of learning systems and networks from which the states and local implementers can learn.
  - ▶ These schemes would have specific strategic outcomes. For example, it could result in improved
    - ▶ number of patents, employment generation, providing learning support to the disabled or improved energy efficiency.
  - ▶ While, capabilities are prepared in the ministries, time should be devoted for preparation of good scheme, as mentioned earlier. The Ministry would use funds to design schemes which might require higher consultation experts/expertise or reaching out to numerous stake holders. There has been so far very little investment made in this area. Often, not enough time and energy is devoted to this. The schemes after a proposed design have a good chance of delivering the desired outcomes.
  - ▶ The consultation with the stakeholders is one of the key requirements for ensuing that the architecture of these schemes meet the objectives. Often, the consultation process is not mandatory. The schemes which may require formulation of laws or guidelines would need to have extensive consultative machinery. Resources would need to be provided to improve the quality of consultations.
  - ▶ The architecture of this scheme must have evaluation and feedback mechanisms. It is important to evaluate the schemes against the strategic outcomes to ensure effective use of money that has been spent. Not enough attention is devoted to this aspect. Often this is left to the audit function. It is not a good use of public money and resources. An effective evaluation can lead to improved versions of these schemes, leading to better outcomes and more efficient use of public resources.
- ◉ **Independent Evaluation Office:** Government programmes can benefit enormously from independent evaluation. At present concurrent evaluation is done by the Ministry concerned as an on-going parallel process. Expert evaluation of programmes that have been in operation is done by the Programme Evaluation Organisation (PEO) of the Planning Commission. This evaluation function is being strengthened by setting up an Independent Evaluation Office (IEO), under the aegis of Planning Commission. The new IEO would be an important instrument in evaluating some of these programmes and could come up with recommendations which would highlight need for reforms and programmes which were successful.
- ◉ **Improving public service delivery:** A number of services are today provided by the State Governments and Central Ministries. These include ration cards, caste certificates, income certificates, certificates for proof of residence, passports and similar other services. It is important that these are available within a prescribed time line. Failures and deficiencies in delivery of public services lead to dissatisfaction and public anger against the government.
- ◉ **Dissemination of Information:** Government needs to communicate more effectively with the citizens. Citizens are not aware of many schemes set up by central and state governments for their benefit. Stakeholders, who will be affected by new government policies, realise only after the policies are announced, that they have great concerns whereas government departments claim that the policies were posted on their websites and views had been invited.
- ◉ Further, dissemination of information on existing policies through written communications in the electronic media as well as newspapers can help citizens avail of benefits of government schemes.



- Governance can be much more interactive if extensive use is made of all channels of communication including print and electronic media, social media, and electronic boards in public places, written materials, website, an internet and other methods that have a wide reach and are able to convey message directly and swiftly.
- **Capacity Building for Implementation:** Capacity building at the local level as a key instrument for improving outcomes. Some of the specific measures required are:
  - ▶ While, functions have been devolved to PRIs/ULBs, there has not been a commensurable devolution of functionaries and funds or effort to build human capacity at the lower level. Unless PRIs/ULBs get good quality personnel, they cannot perform the functions devolved upon them. A pooled fund across programmes should be created from which resources could be drawn for capacity building. Given the considerable overlap in both the people to be trained and the issues, their capacities need to be built for across programmes.
  - ▶ Government institutions charged with capacity building have, by and large, under-performed and are in urgent need of reform. They need to be thoroughly professionalized and also need to develop powerful partnerships with carefully selected civil society organizations which have a commendable track-record in this sphere. A number of institutes of the government, which have otherwise limited staff can be upgraded by entering into public-private partnership (PPP) and thus, strengthen the excellence of the faculty as well as, the quality of training imparted. This will improve the capacity building capability across the States.
  - ▶ To meet shortage of personnel in the short to medium term, recruitment from the private sector and hiring of external consultants through a fast track process needs to be enabled by an appropriate hiring policy. A list of empanelled professional institutions to streamline the recruitment process and enable PRIs/ULBs to access external talent should be initiated in a timely manner.

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## Minimum Government- Maximum Governance

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- Minimum government means reduction of government role in many areas making it an enabler rather than a provider and maximum governance means to maximize service delivery for betterment of the people. Democratic and constitutionally run governments have a mandate of fulfilling.
  - ▶ **Example of minimum government**
    - ◆ Easing of approval and clearances like single window clearance
    - ◆ Replacement of Planning commission with NITI Aayog having only advisory and think-tank role
    - ◆ Encouragement to PPP by government like in road construction and public utilities)
    - ◆ Allowing self certification in many compliances in manufacturing industry and in environmental regulations
  - ▶ **Example of Maximum governance**
    - ◆ Adoption of transparency, objectivity and accountability in service delivery like through e-governance
    - ◆ Inclusion of citizen charter, grievance redressal and Sevottam model in government functioning
    - ◆ New health and education policies focusing on outcomes based approach
- The concept of New Public Management has come up under which Government's role changes to a facilitator which fits to the slogan Minimum government and maximum governance.
- The idea of minimum government reinforces the modern day polity that centres on reducing the ambit of governments while entrusting it mainly with the roles as enablers of good governance and lending more rights and choices to people to live freely in democratic ethos.
- India's Prime Minister gave the maxim of 'minimum government' and 'maximum governance' in context of achieving good governance for the citizenry. This comes in the backdrop of extraordinarily large governments while ironically keeping the quality of governance quite poor.

### ■ Ways to achieve Minimum government- Maximum governance

- ▶ **Open Government:** This implies inaugurating an era of disclosure and transparency. It should lead to

better and accountable government, with procedures of governance, including commercial agreements, tenders and modes of public procurement, being shared with the people using new technologies such as the Internet. The goal here must be maximum governance, minimum government.

- ▶ **Efficient decentralization of Administration:** empowers people locally to guide the growth process through a sub district citizen-centric approach where governance and development is activated at the grass root level.
- ▶ **Government should be trustee of public assets:** The government must rationalize its overwhelming commercial powers and understand that it is merely the trustee of public assets.
- ▶ **Strengthening independent institutions:** Build new independent institutions and rebuild those that have been destroyed or corroded with political interference. The current discretionary power within the executive needs significant the checks and balances with independent institutions and regulators. The recent conduct of the Comptroller and Auditor General of India (CAG) and the judiciary needs to be replicated many institutions and the government.
- ▶ **Develop A Culture Of Valuing Public Money:** Tax revenues that the government spends belong to taxpayers. The government must develop a culture of judicious spending with specific outcomes; a culture of money being spent as a trustee of the people of India that reinforces the truth that the government only a trustee of public money and assets.
- ▶ **Improve implementation of Programs:** There has been a dramatic rise in expenditure on programs of social inclusion in the last five years but this is accompanied by growing complaints about failure in implementation. The weaker sections of the society, for whom these schemes are primarily intended, are often not able to benefit because they are not sufficiently empowered to access the benefits due to them. Thus improve the existing centrally sponsored schemes.
- ▶ **Exiting spheres where it is not needed:** The government has rightly identified that it is not their business to be in business. This implies toning down excessively rigid regulations that impede Ease of Doing Business as well as exiting the ailing PSUs that require more money than it earns just to keep them functioning.

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