GOOD GOVERNANCE

The concept of "good governance" assumed significance since 1990s with the publication of two reports by the World Bank. In the first report entitled "Sub-Saharan Africa: From Crisis to Sustainable Growth" (1989), the Bank emphasised upon the need for good governance. While in the second report entitled as "Governance and Development" (1992), the Bank identified a number of aspects of good governance. These are political, legal and administrative in nature.

Features of Good Governance

Good governance has eight features (or characteristics or attributes). These are explained below.
1. *Participation* Participation by both men and women is a 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 organised. This means freedom of association and expression on the one hand and an organised civil society on the other hand.
2. *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.
3. *Transparency* Transparency means that decisions taken and their enforcement is done in a manner that is as per rules 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. Information needs to be leveraged as a core strategy for monitoring implementation.
4. *Responsiveness* Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.
5. *Consensus oriented* There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in the society to reach a broad consensus 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.

6. ***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.

7. ***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.

8. ***Accountability*** Accountability is a key requirement of good governance. Not only government institutions but also the private sector and civil society organisations 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 organisation or institution. In general an organisation 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.

Good Governance Initiatives

The following initiatives were taken in India to promote/ensure good governance in the country:

1. The 73rd and 74th Constitutional Amendments (1992) provided for the participation of people in the governance process.
2. Rights-related statutory bodies such as the National Commission for Women (1992), the National Commission for Minorities (1993), the National Human Rights Commission (1993) etc., have been set-up.
3. The Government of India commenced the exercise to formulate Citizen's Charters in 1996.
4. A Commission on Review of Administrative Laws was set up in 1998 to recommend, *inter alia*, the repeal of dysfunctional laws.
5. A Computerised Public Grievances Redressal and Monitoring System was installed in 2001.
6. The 89th Constitutional Amendment (2003) bifurcated the combined National Commission for SCs and STs into two separate bodies.
7. The Central Vigilance Commission was accorded a statutory status in 2003.
8. A committee on Civil Service Reforms was set up in 2004 to examine the whole gamut of civil service reforms.
9. The Prime Minister's Awards for Excellence in Public Administration was instituted in 2005.
10. Laws were enacted giving certain rights to people like the Protection of Women from Domestic Violence Act (2005), the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act (2006) and so on.

The Eleventh Plan (2007–2012) document has identified the several other good governance initiatives taken during the Tenth Plan (2002–2007). These are mentioned as follows:

1. The Right to Information Act, 2005 was brought into force. This applies to Union and state agencies, local governments and societies which receive public funds, and empowers citizens.

2. The All India Service Rules were amended, providing a certain fixed tenure for specified posts to be notified by the state and Central Governments. It will help promote accountability.

3. A new Value Added Tax regime was introduced which simplifies the tax systems and has enormous positive implications for major reforms in the tax structure.

4. Electoral funding reforms were introduced, promoting transparency and fairness and creating tax incentives to donors and disclosure of antecedents of candidates contesting for public office.

5. An e-Governance Plan for 31 major areas was adopted. This is designed to assist, improve delivery of services and digitisation of information.

6. Initiatives on participatory governance were introduced under the National Rural Employment Guarantee Programme, National Rural Health Mission and other measures.

7. A policy for voluntary organisations was announced by the Central Government, reflecting the importance of the voluntary sector in promoting participatory systems.

8. A National Disaster Management Authority was established to bring more focused attention to this important area and to initiate preparatory work to make responses to disasters more effective.

9. In 2005, the Second Administrative Reforms Commission was constituted to prepare a detailed blue-print for revamping the public administration system. It was asked to suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of government.

10. The Department of Administrative Reforms and Public Grievances proposed a framework for good governance in the form of a Code of Governance. The main components of this Code are:
    (i) improving service delivery
    (ii) development of programmes for weaker sections and backward areas
    (iii) technology and system improvement
    (iv) financial management and budget sanctity
    (v) accountability and transparency
    (vi) public service morale and anti-corruption and
    (vii) incentivising reforms

Promoting Good Governance Practices

The Documentation and Dissemination Division of the Department of Administrative Reforms and Public Grievances (DARPG) primarily carries out the activities of documentation, incubation and dissemination of good governance practices of Centre, State/Union Territory Governments with a view to sharing of experience with each other and replication elsewhere. The activities dealt with by the Division are detailed below:

1. **Financial Assistance to States/UTs for Professional Documentation and Dissemination of Good Governance Practices** The objective of the scheme is to provide financial assistance to support professional documentation and dissemination of good governance initiatives by the State/UT Governments with a view to sharing experience with each other and replicating it elsewhere. Till date this Department has granted financial assistance for professional documentation of 62 good governance initiatives of 21 different States/UTs.

2. **Series of Presentations on Best Practices** In order to facilitate replication of the successful

good governance initiatives in other states, a novel initiative was taken by the Cabinet Secretary in 2005 with the introduction of a presentation series on best practices. This presentation is being organised before a select group of Secretaries and senior officers of state governments and Central Government departments. Champions of the best practices are called for making the presentations. Already 21 such presentations on diverse topics have been made which were well-attended by senior officers from the Central as well as selected state governments.

3. **Regional Conferences on Reforms for Citizen Centric Governance** Consequent to the 'Conference of Chief Ministers' held in 1997, an Action Plan to facilitate Citizen Charter and accountable administration, effective and speedy public grievances redress system, transparency and Right to Information and dissemination of best practices has been adopted by the Department of Administrative Reforms & Public Grievances. The Regional Conferences are being organised with a view to bringing National and State level organisations along with other stakeholders including NGOs, intelligentsia, media, etc. on the same platform to share experiences in the formulation and implementation of good governance practices. Senior officers of the Central and state governments responsible for implementing good governance practices including Citizen Charters, officials from cutting edge level, representatives of the NGOs/consumer organisations, etc. participate in the Conference.

   The main objective of the Conference is to generate awareness amongst the participants about the recent reforms for promotion of good governance. Senior officers of Government of India responsible for implementing good governance, officers from state governments and experts in the area of governance and administration are the main partner/participants of these conferences.

4. **Publication of Book** This Division is engaged in organising lecture series, presentations, etc. of best practices across the country. These lectures/presentations are immensely useful for the administrators and the dissemination of these success stories might facilitate replication of the same elsewhere also. As such, publication of books containing a compilation of these lectures/presentations would also go a long way in facilitating dissemination and eventual replication. The Division has already published a series of books on the subject.

5. **Production of Documentary Films on Best Practices** One of the objectives of the Department of Administrative Reforms & Public Grievances is to promote best practices. Many states have achieved excellence in various aspects of administration and service delivery. It is useful to gain from the experiences of each other by exchange of ideas. The Department is engaged in producing documentary films on best practices across the country. These films are immensely useful for the administrators and the dissemination of success stories might facilitate replication of the same elsewhere also. Forty-three such documentary films have already been produced and eighteen more are in the pipeline.

6. **Governance Knowledge Centre (GKC)** The Department of Administrative Reforms and Public Grievances has taken up the initiative to design and develop a web-based repository of good governance initiatives and best practices. The GKC encompasses web-based digital repository put together by support team comprising domain experts, resource persons, analysts along with technical professionals who continuously ensure dynamic updation of Knowledge Resources and Case Studies relevant to the profile of users visiting the repository. The Digital Repository is envisaged as a tool to enable capturing, organising and storing for easy retrieval of digital contents with respect to the various selected case studies of "Good Governance

Practices" in India and abroad. The GKC Portal aims to assist civil servants to seek practical and implementable solutions to the day-to-day challenges they face. It serves as a platform for collaborative knowledge exchange for the improvement of governance. It also offers a widespread and reputed lot of governance knowledge that civil society can utilise to understand the nuances of civil service practices and reforms. At present, the portal consists of 240 well documented best practices and 544 case studies, working papers, toolkits, policy briefings, etc.

7. **Conference of Secretaries (AR) of all States/UTs** The objective of this new initiative is (i) to create a national platform to share experiences of the states in the field of reforms/initiatives undertaken by them to improve public service delivery, make the administration effective, transparent and accountable; and to make the administration citizen friendly, (ii) to discuss challenges faced by the state government to achieve the above goal and (iii) to fulfill the expectation of the state/UT Government from Department of AR & PG, GOI.

8. **Publication of '*Management in Government*' – A Quarterly Journal** The Department of Administrative Reforms and Public Grievances is bringing out a quarterly journal "Management in Government" since 1969 in order to provide a forum for frank exchange of views and opinions among administrators, academicians, scholars and others interested in public administration and public sector management. The focus of journal is on application of management techniques to practical situations of public administration as well as on conceptualisation of principles of good management based upon experience of live situations.

9. **Publication of '*Civil Services News*' – A monthly newsletter** This newsletter is being brought out since the year 1988 for serving and retired government servants. The main objective of the priced publication is to act as an effective medium for transmission of information to civil servants on the latest developments taking place at the Centre with regard to personnel management, pensions, administrative reforms and public grievances and other matters of interest to the civil servants.

Barriers to Good Governance

The Second Administrative Reforms Commission in its report entitled "Citizen Centric Administration: The Heart of Governance" (2009) identified five barriers to good governance in India and explained them in the following way:

1. *Attitudinal Problems of the Civil Servants* There is a growing concern that the Civil Services and administration in general, have become wooden, inflexible, self-perpetuating and inward looking. Consequently, their attitude is one of indifference and insensitivity to the needs of citizens. This, coupled with the enormous asymmetry in the wielding of power at all levels, has further aggravated the situation. The end result is that officers perceive themselves as dispensing favour to citizens rather than serving them and given the abject poverty, illiteracy, etc., a culture of exaggerated deference to authority has become the norm.

2. *Lack of Accountability* A common reason usually cited for inefficiency in governance is the inability within the system to hold the Civil Services accountable for their actions. Seldom are disciplinary proceedings initiated against delinquent government servants and imposition of penalties is even more rare. This is primarily because, at most levels, authority is divorced

from accountability leading to a system of realistic and plausible alibis. Cumbersome disciplinary procedures have added to the general apathy towards discipline in government. Moreover the safeguards provided to civil servants—which were well intentioned—have often been misused. Another reason for lack of accountability is that performance evaluation systems within the government have not been effectively structured. The complacency that the system breeds has resulted in employees adopting an apathetic or lackadaisical attitude towards citizens and their grievances.

3. ***Red Tapism*** Bureaucracies the world over are expected to adhere to rules and procedures which are, of course, important for good governance. However, at times, these rules and procedures are *ab-initio* ill conceived and cumbersome and, therefore, do not serve their purpose. Also, government servants sometimes become overly pre-occupied with rules and procedures and view these as an end in themselves.

4. ***Low Levels of Awareness of the Rights and Duties of Citizens*** Inadequate awareness about their rights prevents citizens from holding erring government servants to account. Similarly, low levels of compliance of rules by the citizens also acts as an impediment to good governance; when citizens do not adhere to their duties they infringe on the freedom and rights of other citizens. Thus, awareness of rights and adherence to duties are two sides of the same coin. A vigilant citizenry, fully aware of its rights as well its duties, is perhaps the best way to ensure that officials as well as other citizens, discharge their duties effectively and honestly.

5. ***Ineffective Implementation of Laws and Rules*** There is a large body of laws in the country, each legislated with different objectives—maintaining public order and safety, maintaining sanitation and hygiene, protecting rights of citizens, giving special protection to the vulnerable sections, etc. Effective implementation of these laws creates an environment which would improve the welfare of all citizens and at the same time, encourage each citizen to contribute his best towards the development of society. On the other hand, weak implementation can cause a great deal of hardship to citizens and even erode the faith of the citizenry in the government machinery.

e-GOVERNANCE

Meaning of e-Governance

The "e" in e-Governance stands for 'electronic'. Thus, e-Governance or electronic governance implies the application of Information and Communications Technology (ICT) to government functioning.

According to the World Bank, e-governance refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government.

e-Governance is basically a move towards SMART governance implying: simple, moral, accountable, responsive and transparent governance.

1. *Simple* — meaning simplification of rules, regulations and processes of government through the use of ICTs and thereby providing for a user-friendly government

2. *Moral* — connoting emergence of an entirely new system of ethical values in the political and administrative machinery; technology interventions improve the efficiency of anti-corruption

agencies, police, judiciary, etc.

3. *Accountable* — facilitating design, development and implementation of effective Management Information System and performance measurement mechanisms and thereby ensuring accountability of public service functionaries

4. *Responsive* — streamlining the processes to speed up service delivery and make system more responsive

5. *Transparent* — bringing information hitherto confined in the government documents to the public domain and making processes and functions transparent, which in turn would bring equity and rule of law in responses of the administrative agencies

Interactions in e-Governance

There are four types of interactions in e-Governance viz., government to citizens (G2C), government to business (G2B), government to government, that is, inter-agency relationships (G2G), and government to employees (G2E).

The Second Administrative Reforms Commission has explained the above four types of interactions in e-Governance in its report entitled "Promoting e-Governance: The SMART Way Forward" (2008) in the following manner:

1. **G2C (Government to Citizens)** — In this case, an interface is created between the government and citizens which enables citizens to benefit from efficient delivery of a large range of public services. This expands the availability and accessibility of public services on the one hand and improves the quality of services on the other. It gives citizens the choice of when to interact with the government (being available 24 hours a day, 7 days a week), from where to interact with the government (e.g., service centre, unattended kiosk or from one's home/workplace) and how to interact with the government (e.g., through internet, fax, telephone, email, face-to-face, etc). The primary purpose is to make government, citizen-friendly.

2. **G2B (Government to Business)** — Here, e-Governance tools are used to aid the business community —providers of goods and services — to seamlessly interact with the government. The objective is to cut red tape, save time, reduce operational costs and to create a more transparent business environment when dealing with the government. The G2B initiatives can be transactional, such as in licensing, permits, procurement and revenue collection. They can also be promotional and facilitative, such as in trade, tourism and investment. These measures help to provide a congenial environment to businesses to enable them to perform more efficiently.

3. **G2G (Government to Government)** — In this case, Information and Communications Technology is used not only to restructure the government processes involved in the functioning of government entities but also to increase the flow of information and services within and between different entities. This kind of interaction is only within the sphere of government and can be both horizontal i.e., between different government agencies as well as between different functional areas within an organisation, or vertical i.e., between national, provincial and local government agencies as well as between different levels within an organisation. The primary objective is to increase efficiency, performance and output.

4. **G2E (Government to Employees)** — The government is by far the biggest employer and like any organisation, it has to interact with its employees on a regular basis. This interaction is a

two-way process between the organisation and the employee. Use of ICT tools helps in making these interactions fast and efficient on the one hand and increases satisfaction levels of employees on the other.

Benefits of e-Governance

The benefits (or advantages or goals) of e-Governance are as follows:
1. Better delivery of government services to citizens
2. Improved interactions with business and industry
3. Citizen empowerment through access to information
4. More efficient government management
5. Less corruption in administration
6. Increased transparency in administration
7. Greater convenience to citizens and businesses
8. Cost reductions and revenue growth
9. Increased legitimacy of government
10. Flattens organisational structure (less hierarchic)
11. Reduced paper work and red tapism in the administrative process
12. Better planning and coordination between different levels of governance
13. Greater citizen participation in the governance process
14. Improved relations between the public authorities and civil society
15. Re-structuring of administrative processes

e-Governance Initiatives

The various steps taken to promote e-Governance in India are as follows:
1. A National Task Force on Information Technology and Software Development was set-up in 1998.
2. The Ministry of Information Technology was created at the Centre in 1999.
3. In the year 2000, a 12-point minimum agenda for e-Governance was identified for implementation in all the central ministries and departments.
4. The Information Technology Act (2000) was enacted. This Act was amended in 2008.
5. The Semiconductor Integrated Circuits Layout-Design Act (2000) was enacted.
6. The first National Conference of States IT Ministers was organised in the year 2000, for arriving at a Common Action Plan to promote IT in India.
7. The National Institute for Smart Government (NISG) was set-up at Hyderabad in the year 2002.
8. The state governments launched e-Governance projects like e-seva (Andhra Pradesh), Bhoomi (Karnataka), Gyandoot (Madhya Pradesh), Lokvani (Uttar Pradesh), FRIENDS (Kerala), e-mitra (Rajasthan) and so on.
9. The National e-Governance Plan (NeGP) was launched in 2006. Initially, it consisted of 27 Mission Mode Projects (MMPs) and 8 support components. Later, in 2011, 4 more projects (health, education, PDS and posts) were introduced. With this, the number of MMPs increased from 27 to 31. These 31 MMPs are further classified as central MMPs (11), State MMPs (13)

and integrated MMPs (7). These MMPs and support components are mentioned below in Tables 21.1 and 21.2.

10. A National Policy on Open Standards for e-Governance was notified in November 2010. It provides a set of guidelines for the consistent, standardised and reliable implementation of e-Governance solutions.

11. The National Policy on Information Technology (NPIT) was approved in 2012. It focuses on deployment of ICT (Information and Communication Technology) in all sectors of the economy and providing IT based solutions to address citizen centric issues.

Table 21.1 Mission Mode Projects under National e-Governance Plan

Central MMPs (11)	State MMPs (13)	Integrated MMPs (7)
1. Banking	1. Agriculture	1. CSC
2. Central Excise and Customs	2. Commercial Taxes	2. e-Biz
3. Income Tax	3. e-District	3. e-Courts
4. Insurance	4. Employment Exchange	4. e-Procurement
5. MCA21	5. Land Records	5. EDI (e-Trade)
6. Passport	6. Municipalities	6. Service Delivery Gateway
7. Immigration, Visa and Foreigners	7. e-Panchayats	7. India Portal
8. Pension	8. Police	
9. e-Office	9. Road Transport	
10. Posts	10. Treasuries	
11. UID	11. PDS	
	12. Education	
	13. Health	

Table 21.2 Support Components under National e-Governance Plan

S.No.	Support Components
01.	Core Policies
02.	Core Infrastructure (SWAN, NICNET, SDCs, etc.)
03.	Support Infrastructure (CSCs, etc.)
04.	Technical Assistance
05.	R & D
06.	Human Resource Development & Training
07.	Awareness & Assessment
08.	Organisation structures

National Conference on e-Governance

The Department of Administrative Reforms and Public Grievances (DARPG) along with the Department of Information Technology, in association with one of the state governments has been

organising the National Conference on e-Governance every year since 1997.

This Conference provides a platform to the senior officers of the Government including IT Secretaries of state governments, IT Managers of the Central Government, and resource persons, experts, intellectuals from the industry and academic institutions, etc. to discuss, exchange views and experiences relating to various e-governance initiatives.

Every year, the Department of Administrative Reforms and Public Grievances recognises and promotes excellence in e-Governance by awarding government organisation/institutions which have implemented e-Governance initiatives in an exemplary manner. National Awards for e-Governance are given in the following categories:

(a) Excellence in Government Process Re-engineering;
(b) Exemplary Re-Use of ICT based Solutions;
(c) Outstanding Performance in Citizen-Centric Service Delivery;
(d) Innovative use of Technology in e-Governance;
(e) Innovative use of ICT by PSUs for Customer's Benefits;
(f) Best Government Portal; and
(g) Sectoral Award

e-office— A National Mission Mode Project

e-Office is one of the Mission Mode Projects (MMPs), under the National e-Governance Plan (NeGP). The project is aimed at significantly improving the operational efficiency of Central Government Ministries and Departments through improvement in the workflow mechanisms and associated office procedure manuals. The DARPG is the nodal agency for implementing the project.

"e-Office" primarily involves workflow automation and knowledge management including document records management, setting and controlling the workflow in the organisation, work allocation and tracking, maintaining audit trails, performance benchmarking and generating operational MIS. The project is being implemented through NIC.

The DARPG has adopted a phased plan for e-Office implementation across the Ministries/Departments of GOI. The project was initially launched in 3 pilot sites, i.e., DARPG, Training Division of DoPT and e-Governance Division of Department of Electronics and Information Technology in September 2010. 12 Ministries/Departments were taken up during Phase 1 and 7 in Phase 2.

The DARPG has also formulated and circulated Reports on Change Management Strategy, Business Process Reengineering and Government Process Architecting Framework to all Central Government Ministries/Departments. The Central Secretariat Manual on e-Office Procedure (CSMeOP) has also been circulated by the department.

Master e-Governance Training Plan under NeGP

The DARPG has finalised Master e-Governance Training Plan under NeGP in consultation with DeitY and DoPT. It is being implemented in e-Office enabled Ministries/Departments in the initial phase.

e-Governance offers enormous potentials for improving the internal efficiency of the public sector and the delivery of public services to citizens and other government customers. Most governments

around the world have integrated e-Governance into their broader public sector modernisation agendas. The availability of skilled workforce with good capacity for learning is essential for e-Governance, along with other factors like leadership, regulatory frameworks, financial resources, organisational conditions, and Information and Technology (IT) infrastructure. This is in line with a popular opinion that staffing is one of the key factors in determining the success or failure of technology applications. In fact, the survey of e-Governance projects carried out by the World Bank revealed that successful e-Governance projects expend at least 10% of their budgets on training.

The purpose of the document is to highlight the need of training for effective implementation of e-Governance projects and also to develop a common understanding of a core training curriculum. The master training plan outlines:

   (i)   core competency required by various roles for e-Governance projects,
  (ii)   delivery mechanisms,
 (iii)   institutional frame work,
 (iv)   broad curriculum,
  (v)   feedback mechanism, and
 (vi)   certification.

CITIZENS' CHARTER

A citizens' charter is a document of commitments made by a government agency to the citizens in respect of the services being provided to them. It empowers the citizens to demand the committed standards of service. However, it is not legally enforceable and hence, non-justiciable. Its objective is to build bridges between citizens and administration and to streamline administration in tune with the needs and concerns of citizens.

Principles of Citizens' Charter

The concept of a citizens' charter was first articulated and implemented in the United Kingdom by the Conservative Government of John Major in 1991 as a national programme with a simple aim: to continuously improve upon the quality of public services for the people of the country so that these services respond to the needs and wishes of the users. The programme was re-launched in 1998 by the Labour Government of Tony Blair which rechristened it "Services First".

The six principles of the citizens' charter movement, as originally framed, were:

   (i)   Quality: Improving the quality of services
  (ii)   Choice: For the users wherever possible
 (iii)   Standards: Specifying what to expect within a time frame and how to act if standards are not met
 (iv)   Value: For the taxpayers' money
  (v)   Accountability: Of the service provider (individual as well as an organisation) and
 (vi)   Transparency: In rules, procedures, schemes and grievances redressal.

These were later elaborated by the Labour Government as the following nine principles of Service Delivery (1998):

   (i)   Set standards of service

(ii)   Be open and provide full information

(iii)   Consult and involve

(iv)   Encourage access and promote choice

(v)   Treat all fairly

(vi)   Put things right when they go wrong

(vii) Use resources effectively

(viii) Innovate and improve and

(ix)   Work with other providers.

In 1992, the UK Government also introduced the Charter Mark Award Scheme for recognising excellence in delivering public services. Later in the year 2008, this scheme was replaced by a new scheme called, "Customer Service Excellence Award Scheme".

The UK's citizens' charter initiative aroused considerable interest around the world and several countries implemented similar programmes, e.g., Australia (Service Charter, 1997), Belgium (Public Service Users' Charter, 1992), Canada (Service Standards Initiative, 1995), France (Service Charter, 1992), India (Citizens' Charter, 1997), Jamaica (Citizens' Charter, 1994), Malaysia (Client Charter, 1993), Portugal (The Quality Charter in Public Services, 1993), Spain (The Quality Observatory, 1992) and so on.

Citizens' Charter Initiative in India

In 1996, the Centre organised a Conference of Chief Secretaries of States and Union Territories on "Effective and Responsive Administration". The conference *inter alia* recommended the adoption of citizens' charters for all public service organisations. This recommendation was approved by the Centre, states and union territories in the Conference of Chief Ministers held in 1997.

Since 1997, when the scheme was introduced in India, the various ministries, departments, directorates and other agencies of the Central Government, state governments and union territory administrations have formulated a number of citizens' charters. At present (2010), there are 131 citizens' charters of the Central Government, and 729 of the state governments and union territory administrations.

A citizens' charter in India has the following components:

(i)   Vision and Mission Statement of the Organisation

(ii)   Details of Business transacted by the Organisation

(iii) Details of citizens or clients

(iv)   Statement of services including standards, quality, time frame etc., provided to each citizen/client group separately and how/where to get the services

(v)   Details of grievance redressal mechanism and how to access it and

(vi)   Expectations from the citizens or clients.

In India, the following are regarded as the attributes/elements of a good citizens' charter:

(i)   Focus on Customer Requirements

(ii)   Simple Language

(iii) Service Standards

(iv)   Effective Remedies

(v)   Training

(vi)   Delegation

(vii) Feedback Mechanism

(viii) Close Monitoring and

(ix)   Periodic Review.

Promoting Citizens' Charters

The Citizens' / Clients' charters, as a tool for empowering the public, are being taken forward through the following five initiatives :

1. The first initiative is of Citizens' Charters in all Central Ministries/Departments and the Second is of Citizens' Charter in all States/Union Territories. Both were started in May 1997. Under these two initiatives progress is reflected in the increase in the number of Citizens' Charters listed on a special portal.

2. From 2010 onwards, the Citizens'/Clients' charters of all Central Ministries/Departments are up-loaded on their websites. All Central Ministries/Departments have also been requested to include information about their Citizens'/Clients' charters in their annual reports.

3. The third initiative is for making the Citizens' Charters more dynamic through the Sevottam framework for bringing excellence in service delivery through continuous improvement. Here the Citizens' Charter as one of the three components of Sevottam, is not only being created and reviewed but is being linked to the service delivery processes of the Ministry/Department concerned.

4. The fourth initiative for Citizens' Charter is as per the 12th Report of Second ARC: the Second Administrative Reforms Commission (ARC) in its12th Report entitled 'Citizen Centric Administration – Heart of Governance" has recommended for making the Citizens' charters more effective as a document for interacting with citizens. This recommendation has been accepted by Government of India. All Central Ministries/Departments have been requested to review their Citizens' Charters to make them more effective as a tool for interacting with the citizens.

5. The fifth initiative is of creating state department charters through the 12-month pilot projects. From 2008 to 2010, Sevottam pilot projects were implemented in four states in four different sectors. These were in Himachal Pradesh, Karnataka, Madhya Pradesh and Odisha.

    (a) In Himachal Pradesh a new citizens' charter with quality standards has been drafted for services delivered by Water Supplies and Sanitation unit of Municipal Corporation, Shimla.

    (b) In Karnataka: a new Citizens' Charter has been created for the Department of Women and Child Development (DWCD) for its service delivery under the Central Scheme of Integrated Child Development Services (ICDS) through Anganwadi Centres at the village level.

    (c) In Madhya Pradesh a Citizens' Charter has been created with service standard for the Public Health and Family Welfare (PH&FW) Department.

    (d) In Odisha: For the Government of Odisha the Citizens' Charter has been created for the Food, Supplies and Consumer Welfare (FS&CW) Department. It includes its PDS service delivery units till the Gram Panchayat level.

Evaluation of Citizens' Charters

During the year 2002–03, the Department of Administrative Reforms and Public Grievances (DARPG) engaged a professional agency to develop a standardised model for internal and external evaluation of citizens' charters in a more effective, quantifiable and objective manner. This agency also carried out evaluation of implementation of charters in five Central Government organisations and 15 departments/organisations of the states of Andhra Pradesh, Maharashtra and Uttar Pradesh.

The findings of the evaluation carried out by the agency were :
  (i) In a majority of cases charters were not formulated through a consultative process.
 (ii) By and large, service providers are not familiar with the philosophy, goals and main features of the charter.
(iii) Adequate publicity to the charters had not been given in any of the departments evaluated. In most departments, the Charters are only in the initial or middle stage of implementation.
(iv) No funds have been specifically earmarked for awareness generation of citizens' charter or for orientation of staff on various components of the charter.

A study sponsored by the Department of Administrative Reforms and Public Grievances on evaluation of the Citizens' Charters was carried out by the Indian Institute of Public Administration in 2008. The observations/findings of this study are:
  1. Citizens' charters have still not been adopted by all Ministries/Departments.
  2. There was lack of precision on standards and commitments in several cases.
  3. There is often little interest shown by the organisations in adhering to their charter.
  4. On the communications front, the charter programme has been throttled on account of poor planning and resource commitment for publicity.
  5. In some cases, the charters have become a one-time exercise, frozen in time.
  6. There was general lack of accountability and review mechanisms.
  7. The charters were devoid of participative mechanisms for effective performance.

Sevottam Model

The citizens' charter is one of the three modules/components of the "Sevottam Model"—the other two being public grievance redressal and service delivery capability. Sevottam is a "Service Delivery Excellence Model" which provides an assessment-improvement framework to bring about excellence in public service delivery. The term "*Sevottam*" is formed by joining two Hindi words "seva" and "uttam" meaning "service" and "excellence" respectively.

The first component of the model requires effective citizens' charter implementation, thereby opening up a channel for receiving citizens' inputs into the way in which organisations determine service delivery requirements. Citizens' charters publicly declare the information on citizens' entitlements thereby making them better informed and hence empowering them to demand better services.

The second component of the model, "Public Grievance Redress" requires a good grievance redressal system operating in a manner that leaves the citizen more satisfied with how the organisation responds to complaints/grievances, irrespective of the final decision.

The third component of the model, "Service Delivery Capability" postulates that an organisation can have an excellent performance in service delivery only if it is efficiently managing the key ingredients for good service delivery and building its own capacity to continuously improve upon service delivery.

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Each component/module is assessed on the basis of three criteria. Each criteria, in turn, has several specific elements/questions. This structure of the assessment criteria is shown below in Table 21.3.

Table 21.3	Sevottam Model: Assessment Criteria	
Modules (3)	**Criteria (9)**	**Elements for assessment (33)**
Citizens' Charter	Implementation	5
	Monitoring	3
	Review	3
Public Grievance Redress	Receipt	3
	Redress	3
	Prevention	5
Service Delivery Capability	Customers	5
	Employees	3
	Infrastructure	3

PEOPLE'S PARTICIPATION

Meaning

People's participation means participation of people in the administrative process. It implies citizens' control over administration or public influence on administration. It is essential for the smooth and effective performance of the administrative machinery. It makes the administration responsive to the needs of the people. It secures public support to the government policies and makes them a success. It constitutes an important means of enforcing administrative accountability.

A democratic government is based on the 'doctrine of popular sovereignty' which means that the people are supreme in a democracy, or the final authority in democracy is vested in the people. Therefore, administration in democracy is or should finally and ultimately be responsible to the people. It is in this context that the people's participation in administration assumes importance. It transfers the representative democracy into participatory democracy. It facilitates what is known as 'bottom-up rule'.

People's participation in development administration means the direct involvement of people in the process of administering development programmes meant for bringing about socio-economic changes in the society. It embraces the following dimensions:
  (i) Participation in decision-making
 (ii) Participation in implementation
(iii) Participation in monitoring and evaluation
 (iv) Participation in sharing benefits

People participate in development administration through various mechanisms like Panchayati Raj institutions, cooperative institutions, mahila mandals, farmers service societies, yuvak kendras and

other voluntary/non-governmental organisations.

Benefits

People's participation in development administration is beneficial in various respects:

1. It provides administration a wealth of information on local socio-cultural, economic, ecological, and technical conditions. This information is highly useful in the process of planning, programming and implementation of development programmes.
2. It leads to the selection of those projects which are of direct relevance to the people.
3. It facilitates mobilisation of local resources in the form of cash, labour, materials and so on which are very essential for the programme's success.
4. It acts as a safeguard against the abuse of administrative authority and thus reduces the scope for corruption in the operation of programmes.
5. It prevents the hijacking of programme benefits by richer and powerful sections due to the involvement of poorer and weaker sections of the society. Thus, it leads to the equitable distribution of benefits.
6. It makes the local community easily accept the developmental change and more tolerable to mistakes and failures.
7. It reduces the financial burden on government by sustaining the programmes even after the withdrawal of its support. They can be managed by the volunteers or community-based workers.
8. It enhances the ability and competence of the people to assume responsibility and solve their own problems. It develops a spirit of self-reliance, initiative and leadership among the people.
9. It promotes *esprit de corps* in the community and thus strengthens democracy at the grassroots level.

Limitations

However, various factors limit the degree and effectiveness of people's participation in administration, particularly in development administration. They are:

(i) Aristocratic and mechanical bureaucracy
(ii) Unfavourable socio-economic environment like casteism, communalism, poverty, illiteracy and so on
(iii) Negative political interference
(iv) Time constraints, that is, time-bound nature of programmes
(v) Role of middlemen and sycophants
(vi) Corruption and low standards of conduct in administration
(vii) Faulty administrative procedures
(viii) Lack of participative culture

PUBLIC SECTOR REFORMS

Meaning of Reforms

To improve the overall performance of the Indian Economy, the Central Government announced in 1991 the New Industrial Policy. It came to be known as the 'New Economic Policy' as it made a 'radical' departure from the Nehruvian Economic Philosophy contained in the 1956 policy. In essence, it heralded the era of liberalisation which led to privatisation and globalisation.

Liberalisation means free-market economy. It marks a change from a restrictionist regime to a free regime. It implies reducing, relaxing and dismantling of government's controls and regulation in economic activities. These measures include delicensing of a good number of industries, raising of licensing limits, relaxations under the MRTP Act, broad banding, relaxations under the FERA (now FEMA) regulations, legalisation of additional capacities, relaxations in export-import policy and so forth. Thus, the private sector is permitted to function freely in respect of investment, production and products.

Privatisation means (i) denationalisation, that is, changing the ownership of public enterprises fully or partially to the private parties, (ii) deregulation, that is, allowing the entry of private sector into areas hitherto exclusively reserved for the public sector and (iii) operating contract, that is, entrusting the management and control of public enterprises to the private parties on agreed remuneration.

Globalisation means progressive integration of Indian economy with the world economy. This implies opening up the Indian economy to foreign direct investment. It removes constraints to the entry of Multi National Companies (MNCs) in India. Thus, the Indian Economy is made a part and parcel of the world economy.

Reasons for Reforms

The various reasons for this change in the government's policy towards public sector are as follows:
1. The dismal financial performance of the public sector.
2. Low returns against heavy investments in public enterprises.
3. Government is no longer in a position to provide budgetary support to sick enterprises.
4. The need to create competition for the public enterprises so that they are forced to earn profits through improved efficiency.
5. The global trend towards liberalisation, privatisation, and globalisation.
6. The private sector is coming forward to invest in huge amounts in infrastructure areas.
7. External factors influencing the government like advanced countries, MNCs, World Bank, IMF and so on.

Provisions for Reforms

The New Industrial Policy of 1991 contained the following provisions with regard to the public sector:
1. The public sector investments will be confined to strategic, hi-tech and essential infrastructure areas.
2. Some of the areas reserved for the public sector will be opened up to the private sector selectively. Similarly, the public sector will be allowed entry in areas not reserved for it.
3. Chronically sick public enterprises will be referred to the Board for Industrial and Financial

Reconstruction (BIFR) for formulation of revival and rehabilitation schemes.

4. A social security mechanism will be created to protect the interests of workers likely to be affected by such rehabilitation schemes.
5. A part of the government's share-holding in the public sector will be offered to mutual funds, financial institutions, general public and workers.
6. Boards of public sector companies would be made more professional and given more powers.
7. Through the Memorandum of Understanding (MoU) system, management would be granted greater autonomy and held accountable for the results.
8. Budgetary support to public enterprises would be progressively reduced.

Implementation of Reforms

As a follow-up of this new policy and a series of macroeconomic policy reforms leading to the liberalisation of the Indian Economy, the government had taken various measures to reform the public enterprises. These are explained below:

1. Dereservations In 1991, the number of industries reserved for the public sector was reduced from 17 to 8. In 1993, two more items were deleted from the reserved list. Again in 1998, another two items were dereserved. Further, in 2001, the government opened up one more area to the private sector participation. Thus, today only 3 areas stand reserved *viz*., (i) atomic energy, (ii) minerals specified in the schedule to the atomic energy (control of production and use) order, 1953, and (iii) rail transport.

Moreover, some of the dereserved areas are opened not only to domestic private enterprises but also to foreign private enterprises.

2. Sick Units In 1991, the Sick Industrial Companies Act (SICA, 1985) was amended to enable the sick public enterprises to be referred to the Board for Industrial and Financial Reconstruction (BIFR, 1987) for revival or closure.

The Board for Reconstruction of Public Sector Enterprises (BRPSE) was set up in December, 2004 to advise the government on the measures to restructure/revive both industrial and non-industrial public enterprises. For the purpose of making reference to BRPSE, a company is considered sick if it has accumulates losses in any financial year equal to 50 per cent or more of its average net worth during 4 years immediately preceding such financial year and/or a company which is a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The concerned administrative ministries/departments are required to send proposals of their public enterprises identified as sick for consideration of BRPSE. Other loss making public enterprises may be considered by the Board either *suo moto* upon reference by the administrative ministry if it is of the opinion that revival/restructuring is necessary for checking the incipient sickness (incurring loss for two consecutive years) and making the public enterprises profitable, keeping the industry specific business environment in view.

3. Golden Hand-Shake In 1988, government initiated the Voluntary Retirement Scheme (VRS) to help the public enterprises to shed excess manpower. This scheme came to be popularly known as "Golden Hand-Shake" Policy as the workers get a handsome amount from the enterprises at the time

of dissociation. In 1992, the National Renewal Fund (NRE) was created for training and redeployment of retrenched workers, besides providing compensation to the persons seeking voluntary retirement. The National Renewal Fund was abolished in 2000.

4. Disinvestment In 1991–92, the disinvestment programme was started with the main objective of raising non-inflationary kind of finance for the government budget. Disinvestment is a process whereby the government withdraws a portion or the total of its equity in a public enterprise. In 1992, the government appointed a 'Committee on Disinvestment of shares in Public Sector Enterprises' under the chairmanship of Dr. C. Rangarajan to suggest measures with regard to the disinvestment programme. On its recommendation, the government set-up in 1996 a 'Commission on Public Sector Disinvestment' under the chairmanship of G.V. Ramakrishnan for preparing a long-term plan of disinvestment of public enterprises referred to it. In order to expedite the process of disinvestment, the government established a new full-fledged Department of Disinvestment in 1999 in place of the Disinvestment Commission.

5. Navratnas In 1997, the Government identified nine leading, well-performing and high profit-making public enterprises as the 'Navratnas' (Nine Precious Jewels). They were granted substantial enhanced autonomy and operational freedom in different fields (financial, commercial, managerial, and organisational) to facilitate their becoming global players. Their Boards have also been professionalised by induction of non-official part-time professional directors.

6. Miniratnas In 1997, the Government identified another 97 profit-making public enterprises as the 'Miniratnas' (Small Precious Jewels) and granted them financial, managerial, and operational autonomy. Further, these enterprises are divided into two categories (Miniratnas-I and Miniratnas-II) depending on their recent performance.

7. Memorandum of Understanding The system of memorandum of understanding (MoU) was introduced in 1987–88. The following points can be noted with regard to the Memorandum of Understanding (MoU):
  (i) The MoU is an agreement between the Government (ministry) and the public enterprises management to grant autonomy to the latter, that is, to reduce day-to-day interference of the ministry in the management of public enterprises.
  (ii) It defines obligations of both the parties for improving performance of public enterprises.
  (iii) It makes public enterprise managements responsible and accountable for results. Thus it is a system of annual performance contract between the ministry and the enterprise.
  (iv) It was recommended by the Arjun Sengupta Committee (the committee to Review the Policy for the Public Enterprises) Report of 1986.
  (v) It is the Indian version of the French 'Performance Contract System' and the Korean 'Signalling System.'

8. Maharatna Scheme In December 2009, the government introduced (approved) a new scheme called "Maharatna Scheme". Under this, the higher end Navaratna companies would be recognised as a separate class, i.e., "Maharatnas" and granted a higher level of financial and managerial autonomy. This would enable them to expand their operations and emerge as global giants. In May 2010, the government formally conferred the coveted maharatna status on four companies, *viz*., Steel Authority of India Limited (SAIL), National Thermal Power Corporation

(NTPC), Indian Oil Corporation (IOC) and Oil and Natural Gas Corporation (ONGC).

CORPORATE GOVERNANCE

India has the largest number of listed companies in the world, and the efficiency and well being of the financial markets is critical for the economy in particular and the society as a whole. It is imperative to design and implement a dynamic mechanism of corporate governance, which protects the interests of relevant stakeholders without hindering the growth of enterprises.

Corporate governance involves a set of relationships amongst the company's management, its board of directors, its shareholders, its auditors and other stakeholders. These relationships, which involve various rules and incentives, provide the structure through which the objectives of the company are set, and the means of attaining these objectives as well as monitoring performance are determined. Thus, the key aspects of good corporate governance include transparency of corporate structures and operations, the accountability of managers and the boards to shareholders and corporate responsibility towards stakeholders.

Principles of Corporate Governance

A company should:
1. Recognise and publish the respective roles and responsibilities of board and management
2. Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties
3. Actively promote ethical and responsible decision-making
4. Have a structure to independently verify and safeguard the integrity of the company's financial reporting
5. Promote timely and balanced disclosure of all material matters concerning the company
6. Respect the rights of shareholders and facilitate the effective exercise of those rights
7. Establish a sound system of risk oversight and management and internal control
8. Fairly review and actively encourage enhanced board and management effectiveness
9. Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined
10. Recognise legal and other obligations to all legitimate stakeholders

Legal Framework

The corporate governance legal framework in India primarily consists of the following legislations and regulations:
1. ***The Companies Act, 2013*** The new *Companies Act* of 2013 has replaced the earlier *Companies Act* of 1956. The new Act seeks to bring corporate governance and regulation practices in India at par with the best global practices. The corporate sector has been given more flexibility in regulating their affairs, subject to full disclosure and accountability of their actions, with minimum government approvals. The Act provides more opportunities for new entrepreneurs and enables wide application of Information Technology in the conduct of

affairs by corporates. The other salient features of this legislation include provisions with regard to more accountability of audit, Corporate Social Responsibility, stricter action in case of fraud related offences and protection of interests of investors.

2. ***The Securities Contracts (Regulation) Act, 1956*** This Act covers all types of tradable government paper, shares, stocks, bonds, debentures, and other forms of marketable securities issued by companies. The SCRA defines the parameters of conduct of stock exchanges as well as its powers.

3. ***The Securities and Exchange Board of India Act, 1992*** This Act established the independent capital market regulatory authority, SEBI, with the objective of protecting the interests of investors in securities, and promote and regulating the securities market.

4. ***The Depositories Act, 1996*** This Act established share and securities depositories, and created the legal framework for dematerialization of securities.

5. ***Listing Agreement of Stock Exchanges*** This agreement defines the rules, processes, and disclosures that companies must follow to remain as listed entities. A key element of this Agreement is Clause 49, which states the corporate governance practices that listed companies must follow.

Institutional Framework

1. ***National Foundation for Corporate Governance*** In 2003, the Ministry of Corporate Affairs has set up a National Foundation for Corporate Governance (NFCG) as a not-for-profit Trust to provide a platform to deliberate upon issues relating to good corporate governance and to sensitise corporate leaders on the importance of good corporate governance practices, to facilitate exchange of experiences and ideas between corporate leaders, policy makers, regulators, law enforcing agencies and non-government organisations.

   The NFCG has been sponsoring orientation programmes for Directors through the various Institutes of Excellence and has been organising seminars and conferences to propagate the need for following good corporate governance practices.

2. ***Indian Institute of Corporate Affairs*** The Indian Institute of Corporate Affairs (IICA) has been set up as a registered society under the Ministry of Corporate Affairs in 2008. Its objectives are:
    (i) Develop capacity for undertaking holistic study and harmonised treatment of all issues impacting governance and corporate functioning with a global perspective
   (ii) Set-up a state-of-the-art Knowledge Management (KM) system for constant creation, collation and dissemination of knowledge to internal and external stakeholders on all issues affecting the corporate sector
   (iii) Act as a think-tank to advise government holistically on all issues impacting on corporate functioning
   (iv) Training and capacity building for officials of the ministry and all stakeholders

3. ***Serious Fraud Investigation Office*** The Serious Fraud Investigation Office (SFIO) has been set up in 2003 by the Government of India in the Ministry of Corporate Affairs by way of a resolution. This office investigates corporate frauds of serious and complex nature. It carries out investigation under the provisions of the Companies Act and files prosecutions for the violations of the provisions of the Companies Act as well as Indian Penal Code (IPC).

The SFIO takes up investigation of corporate frauds characterised by (a) complexity and having inter-departmental and multi-disciplinary ramifications (b) substantial involvement of public interest to be judged by size either in terms of monetary misappropriation or in terms of persons affected and (c) the possibility of investigation leading to or contributing towards a clear improvement in systems, laws or procedures.

Committees on Corporate Governance

1. ***CII Code Committee (1998)*** The Confederation of Indian Industry (CII), India's largest industry and business association, set up a committee to examine corporate governance issues, and recommend a voluntary code of best practices. The committee was driven by the conviction that good corporate governance was essential for Indian companies to access domestic as well as global capital at competitive rates. Its code (Desirable Corporate Governance: A Code) was released in 1998. The code was voluntary, contained detailed provisions, and focused on listed companies.
2. ***Kumar Mangalam Birla Committee (1999)*** In 1999, the SEBI set up a committee under Kumar Mangalam Birla to promote and raise the standards of good corporate governance. The SEBI board had accepted and ratified key recommendations of this committee, and these were incorporated into Clause 49 of the Listing Agreement of the Stock Exchanges.
3. ***Naresh Chandra Committee (2002)*** The Naresh Chandra Committee was appointed in 2002 by the Ministry of Corporate Affairs to examine various corporate governance issues. The Committee made recommendations regarding auditor-company relationship, prohibition on audit firms to provide non-audit services, compulsory audit partner rotation, auditor's disclosure of qualifications, CEO and CFO certification of annual audited accounts, percentage of independent directors, minimum board size of listed companies, disclosure on duration of board meetings, etc.
4. ***Narayana Murthy Committee (2003)*** The Narayana Murthy Committee was set up by SEBI to review Clause 49, and suggest measures to improve upon corporate governance standards. The major recommendations of the committee primarily related to audit committees, audit reports, independent directors, related party transactions, risk management, directorships and director compensation, code of conduct and financial disclosures.
5. ***J.J. Irani Committee (2005)*** An Expert Committee on Company Law was constituted by the Ministry of Corporate Affairs in December 2004 under the chairmanship of Dr. Jamshed J. Irani. The committee submitted its report in May 2005. It took a comprehensive view in developing a perspective on changes necessary in the Companies Act, 1956 in the context of the present economic and business environment. It also aimed at making India globally competitive in attracting investments from abroad, by suggesting systems in the Indian corporate environment which are transparent, simple and globally acceptable.