



NETAJI SUBHAS OPEN UNIVERSITY

STUDY MATERIAL

P.G.P.A.

PAPER VIII

(Eng.)

MODULES : 3 & 4

POST GRADUATE

PUBLIC

ADMINISTRATION

STUDY MATERIAL

P.G.D.A.

PAPER VII

(1993)

MODULES 1 & 2

POST GRADUATE

PUBLIC

ADMINISTRATION

PREFACE

In the curricular structure introduced by this University for students of Post-Graduate degree programme, the opportunity to pursue Post-Graduate course in Subjects introduced by this University is equally available to all learners. Instead of being guided by any presumption about ability level, it would perhaps stand to reason if receptivity of a learner is judged in the course of the learning process. That would be entirely in keeping with the objectives of open education which does not believe in artificial differentiation.

Keeping this in view, study materials of the Post-Graduate level in different subjects are being prepared on the basis of a well laid-out syllabus. The course structure combines the best elements in the approved syllabi of Central and State Universities in respective subjects. It has been so designed as to be upgradable with the addition of new information as well as results of fresh thinking and analysis.

The accepted methodology of distance education has been followed in the preparation of these study materials. Co-operation in every form of experienced scholars is indispensable for a work of this kind. We, therefore, owe an enormous debt of gratitude to everyone whose tireless efforts went into the writing, editing and devising of proper lay-out of the materials. Practically speaking, their role amounts to an involvement in invisible teaching. For, whoever makes use of these study materials would virtually derive the benefit of learning under their collective care without each being seen by the other.

The more a learner would seriously pursue these study materials the easier it will be for him or her to reach out to larger horizons of a subject. Care has also been taken to make the language lucid and presentation attractive so that they may be rated as quality self-learning materials. If anything remains still obscure or difficult to follow, arrangements are there to come to terms with them through the counselling sessions regularly available at the network of study centres set up by the University.

Needless to add, a great deal of these efforts is still experimental—in fact, pioneering in certain areas. Naturally, there is every possibility of some lapse or deficiency here and there. However, these do admit of rectification and further improvement in due course. On the whole, therefore, these study materials are expected to evoke wider appreciation the more they receive serious attention of all concerned.

Professor (Dr.) Manimala Das
Vice-Chancellor

PREFACE

In the continuing tradition of the University for students of Post-Graduate level, the Department of Education has been pleased to publish this book. The book is a result of the efforts of the members of the Department of Education, who have been working hard to bring out this book. The book is a result of the efforts of the members of the Department of Education, who have been working hard to bring out this book.

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POST GRADUATE : PUBLIC ADMINISTRATION
[P.G.P.A]

Paper - 8
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POST GRADUATE : PUBLIC ADMINISTRATION
[P.G.P.A.]

Paper - B
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Notification

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Professor (Dr.) Biju Ghosh
Program Director



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Unit-1 Structural Adjustment Programme and Indian Administration

In most countries that seek to structurally adjust their economies, civil service reform is undertaken as it becomes necessary. The state in most developing countries of the world seems to have lost control over the functioning of the economy. In Brazil, for example, the economic crisis that drained away the resources of the state, also drained its authority. The public administration was no longer in a position to check evasion of rules and regulations. In Ghana and many other sub-Saharan countries the state was unable to mobilize resources for funding essential expenditure. The state could not even deliver basic health and education services. The same is the case in many South Asian countries.

Unfortunately the lopsided civil services in these countries tend to expand their size without increasing their efficiency, capacity and effectiveness for management of necessary public services. This implies a bloated wage bill which becomes the single largest item of public expenditure. In India, the total wage bill of the central and state governments put together approximates 40 percent of the governments' aggregate revenue receipts. The tendency has been to overstaff and underpay. The low level of remuneration breeds corruption, and corruption in public administration, in turn, saps the civil service's ability and effectiveness to carry out even the sovereignty functions of the state. The overstaffed, inefficient and low-paid civil servants become unhappy and their degree of performance goes down. The infrastructure facilities are grossly underdeveloped in these countries in respect of power generation, public communication facilities, roads connectivity, management of water supply, administration of literacy programmes and primary health services. The public administrators are not adequately accountable and are little motivated to achieve public good. The political system is generally insensitive to the woes of the client public; legislature is uninformed; and civil society is enfeebled. Public accountability of civil service is poor indeed. The civil services of the developing countries of the Third World do not have the capacity to carry out the simplest of economic reforms. Even the most imaginative structural reform is likely to flounder in this kind of political and socio-economic setting.

Confronting this kind of situation prevailing in the developing countries, the World Bank felt the need to start the reform process through necessary

adjustment of the roles played by different elements concerned with the management of development. It was found necessary to introduce structural adjustment in public administration and political management as part of comprehensive changes in the economy and the public sector. Civil service reform taken up in isolation would not achieve the desired result unless the civil service is right-sized (if not, downsized drastically) and enough capacity is built up in the civil service for assuring official provision for services such as education, health, poverty alleviation, social security and infrastructure development.

The civil service in the developing countries had not been as committed to the pursuit of "common good" as Bentham had assumed in the nineteenth century. In these countries the civil servants and politicians in power have used the state and its resources mostly to promote their self-interest. The tendency has been to overstaff the civil service and underpay the civil servants, leading to rampant corruption and weak administrative accountability. The uninformed legislatures and enfeebled civil society are incapable to enforce accountability of the civil service.

The civil service in India enjoys permanent tenure, yet it has failed to act as a safeguard against the short-term populism of the political executive. Sometimes the civil service has been a party to the predatory activities of the political party in power. In India, the whole panoply of systematic safeguards, checks and balances, borrowed from the West European model and put in place as preparation for self-government, has been gradually turned upside down by self-interested behaviour of civil servants in the post-independence period. India has chosen to continue basically the administrative system that the British Raj introduced in order to control the potentially subversive behaviour of the native employees. This is done through centralised appointments, promotions and dismissals, and centralised decision-making on personnel transfers. Transfer, posting and promotion have been the politician's instruments of controlling the civil service, and thus, the principal mechanism for extracting surplus from the clients of the civil service.

India's civil service is so much bloated that the wage bill is the single largest item of government spending. The high-cost public sector means an excessive burden for the people. The civil service reforms in India, however, have been rudimentary, only tinkering with the existing structures and processes. The reforms have not brought any transparency or accountability to the style of functioning of the civil service. By contrast, civil service reforms in the U.K.,

New Zealand, Japan and Singapur have been productive in limiting the size of the civil service. The governments of these countries do not function as "employment agencies". The governments in India at the centre and in the states have not been able to enforce performance standards and monitor civil service behaviour, hence the civil servants have behaved opportunistically.

Structural adjustment policies have been pursued in India since 1991 and the results have not fulfilled the expectations. While trying to achieve structural adjustment, the phenomenon of politicisation is often neglected. Prime Minister Rajiv Gandhi in the mid-1980s had shown his realism by recognising this phenomenon, which was later missed in the euphoria of World Bank's scheme of structural adjustment. Rajiv Gandhi, in his brief spell in office, tried to reduce, if not eliminate, politicisation of public administration in India. The theorists of structural adjustment glossed over the need for balancing structural adjustment with behavioural performance of civil servants. Secondly, the enthusiasts for structural adjustment programme placed very high hope of achieving economic growth through the private sector. In the 1990s this expectation from the privatisation programme could not be realised. Dr. Manmohan Singh, the Union Finance Minister in the Narasimha Rao cabinet, was instrumental in bringing about the World Bank's structural adjustment programme in India. After he was no longer the finance minister, Dr. Singh admitted that they had over-estimated the capacity of the private sector in India. The growth of informal sector and the effectiveness of industrial lobbies counter the claims of routine obstruction by the civil service. Informal banking still claims almost two-thirds of credits in circulation. The relative regional growth of large industry and expansion of stock markets also indicate that the Indian civil service has been the scapegoat for the unenterprising nature of India's business class. Finally, the civil service in rural development has some performance to report as recognised internationally and that is the larger component of bureaucracy in action. There have been some significant recommendations for reforms in Indian civil service in recent time but the implementation of reforms fell short, because the "soft state" in India proved incapable of taking some necessary "hard" decisions.

India's reform experience under the pressure of the World Bank for structural adjustment has been a measure of evolutionary process. The World Bank comes in for support in improving micro-management of information input as also training in information and financial management skills of manpower under its technical assistance programme. In essence, the managerial input expectation from the World Bank is seen to tie it with loan conditionalities for this package

of reforms. A package of comprehensive reforms may not be structural adjustment which, to be successful, must have native roots. The structural change of the administrative system in a country cannot be achieved in total disregard of the social and political culture of the country. To argue that the public sector is inefficient compared to the private sector and therefore privatisation of public enterprises is the first step towards making administrative system efficient amounts to a defective perception of the meaning of "efficiency" in public service and "accountability" of civil servants. Efficiency and accountability cover both structure as well as conduct, output, and ethics.

Questions

1. Discuss the economic and administrative malconditions prevalent in the developing countries.
2. Briefly discuss the structural adjustment programme as adopted in Indian administration.

Unit-2 Public Sector Units (PSU) and Disinvestment Strategy

The Directive Principles of State Policy in India's Constitution, and the Industrial Policy Resolutions of 1948 and 1956, the Resolution of the Indian National Congress under Nehru's leadership (1955) for establishing "socialistic pattern of society" in India, and the basic development strategy of the Second Five-year Plan (1957-62) encouraged public sector enterprises and undertakings as a major instrument of development planning. Over the years, there has been phenomenal growth in investment and activities of the public sector in India. Prime Minister Nehru visualised a leading role of the public sector units (PSU) in the "socialistic" (not fullfledged socialist) economy of India. Since 1956 public sector enterprises have dominated India's economy till the late 1980s. Their speed, efficiency and effectiveness largely determined socio-economic goal and the rate of growth of the Indian economy.

This strategy was replaced by the Congress government under the leadership of Prime Minister Narasimha Rao and Finance Minister Manmohan Singh in the first half of the 1990s. India's 'New Economic Policy' was framed to face the challenge of globalisation, liberalisation, privatisation and competition. The voice of the old school in favour of protecting the PSUs irrespective of their efficiency, productivity and competitiveness was drowned in the rising tempo of the New Economic Policy largely influenced by the World Bank and International Monetary Fund. However, the PSU-s were not totally neglected and the policy favoured a mixed approach without giving any preeminence to any sector. What was notable in the economic policy-formulation was to give importance to productivity and efficiency in all fields of economic activity and to reduce the number of loss-making PSU-s. To quote Shri L. K. Jha, chairman of the Economic Efficiency Commission in the late 1980s, every policy tends to outlive its utility. It was felt since this time that the demands of efficiency, productivity and competitiveness required a dynamic change in approach so far as India's PSU-s were concerned.

It was argued by the proponents of New Economic Policy that Nehru himself would have accepted the urgency of NEP had he lived in the 1990s. Hence reform of the PSU's in the changed circumstances became urgent, especially in the advanced Third World countries like India. The case for change became very strong in the perspective of successful global economic performance of Japan in the 1980s and of the 'Asian Tiger' economies of Taiwan, South Korea,

Malaysia, Singapore in the 1990s. The failure of the centrally planned economies was distinctly visible. The insular, 'no-change' status quoist and state interventionist policy regarding the PSU-s of the 1960s, 1970s and 1980s could no longer be sustained in any meaningful way. The PSUs were therefore expected to follow the overall economic policy which was heavily tilted towards liberalisation, marketisation, globalisation, privatisation and competition. In fact, in many ways, public sector policies provided the lead and the depth in any thrust towards making the economy more competitive and efficient.

Public Sector in India

In the 1950 s, 1960 s and 1970 s the economic development in most of the less developed countries took place either on a mixed economy model or an autarchic, State-controlled model. India adopted a mixed economy model in 1956 by Parliamentary resolution. The model gave the public sector a strategic and pivotal role in the process of economic development. Massive investments were made in the four decades (1950s to 1980s) to build up a public sector which was expected to play a commanding role in the economy, at least in the size and scale of operation, and especially in economic infrastructure area.

It was expected that the PSU-s, by playing a commanding role, would generate resources which would be made available to other sectors like private sector, cooperative sector and joint sector. There is no doubt that the PSU-s played an important and critical role in economic development of India in the initial period, but the current benefit derived by the PSU-s have not been commensurate with the investment made. Recent experience shows that the majority of the PSU-s are lagging behind in terms of productivity and efficiency. Their cost of maintenance is high and they mostly run on a loss-making record. A recent estimate shows that the PSU-s of the central government (excluding banking and insurance sectors) have an investment of about \$ 50 to \$ 70 billion, and the return on this investment has varied between two to five per cent. [Suresh Kumar, "Public Sector in Independent India", *Indian Journal of Public Administration*, XLIII (3), July-Sept 1997]. This investment fund must have come out of savings which are serviced by the government at about 9 to 10 per cent. The return of 2 to 5 per cent thus appears too paltry for adequately servicing of the equity as well as the loan component of that investment. Obviously, the government has to use its budgetary resources to service both equity and debt. This picture convincingly establishes the need for restructuring investments in

the PSU-s. Taking a re-look at their initial objectives, their management structure and their business efficiency becomes urgent. The state of affairs of the PSU-s at the state level of the Indian polity is still more pitiable. It is then obvious that the canons of Good Governance cannot be achieved properly if the economic performance of the PSU-s becomes miserable. India's performance in the global market cannot be improved unless the PSU-s are re-structured and a new management policy is adopted.

In India the PSU-s grew at a rapid pace through politics-propelled intervention by the State in the market. The euphoric expansion of the PSU-s during 1960-70 period took place in India even in areas which were not at all strategic, like public sector hotels, tourism and manufacturing of consumer goods like bread, soft drinks and scooters. The human resource input in the Indian PSU-s in terms of brain power and skill is of a high order, but their poor performance, lack of competitiveness and low productivity was entirely due to the management control structure characterised by multiple principles and multiple goals, which forced them into a bureaucratic rather than commercial mode of behaviour, leading to their lack of management autonomy and business accountability.

There has been an enormous increase in the volume of investments in PSU-s. There were only five PSU-s under the central government with a total investment of Rs. 29 crore at the commencement of the First Five-Year Plan (April 1951). By the end of March 1996, their number rose to 243, with a total investment of Rs. 1,78,628 crore [Govt of India, Dept of Public Enterprises, *Public Enterprises Survey*, 1995-96]. The 243 central government PSU-s have nearly 20.54 lakh regular employees with an average per capita emoluments of nearly Rs. 1.50 lakh per annum. Many PSU-s are burdened with over-staffing. The central government has been experimenting with a scheme of voluntary retirement scheme since 1988 with a view to shedding excess manpower.

The *Public Enterprises Survey* (1995-96) has revealed that about one-third of the total number of the central PSU-s are loss-making. It can be imagined that the financial condition of the state-level PSU-s is worse. An objective assessment of performance of PSU-s requires an evaluation of the goals, capacity utilization, labour-productivity, labour-cost, degree of absenteeism, frequency of accidents, man-days lost due to industrial disputes and trade union activities, and the rate of returns on investment. The indices of performance could be in the form of introduction of new technology, maintenance and modernisation of equipments, training and development of managerial and

technical skills. The additional indices of performance could also be the contribution to the exchequer, foreign exchange earnings, opportunities of employment generation, regional development, and development of ancillary industries. [For a detailed discussion, see B. L. Mathur(ed), *Public Enterprises Policy and Performance*, Jaipur ; 1988].

Reforms Needed

In the context of the experience on the performance of the PSU-s, the Disinvestment Committee, chaired by C. N. Rangarajan, recommended some important policy changes. On the issue of disinvestment, the Committee recommended a flexible policy, instead of any rigid policy, in dealing with the public sector portfolio.

There are some general lessons for effective disinvestment. Any country embarking on a liberalisation-globalisation policy has to focus on *efficiency* and *productivity*. The employment generation is not supposed to be badly affected by these two concepts. The government has the right to expect the PSU-s to be efficient to make up for production-shortfall in public sector, including the overall governance process. That is to say, the government should also show itself as an efficient service provider rather than power-wielding controller. As in the People's Republic of China a social security mechanism is to be created to protect the interests of workers likely to be affected by such rehabilitation packages. In order to raise resources and encourage wider public participation, a part of the government's share-holding in the public sector could be offered to Mutual Funds, financial institutions, general public and workers.

It was also announced that management boards of public sector companies could be made more professional and given more autonomy and powers of decision-taking. In turn, the management would be held accountable for performance of the PSU-s. Simultaneously technical expertise on the part of the Government would be upgraded.

It was arranged that Memorandum of Understanding between the government and public enterprises would be placed before Parliament for the purpose of focussing on major management issues and helping to place matters of day-to-day operations of public enterprises in their correct perspective.

Disinvestment Strategy and its Impact

In pursuance of the new policy announced in 1991, 17 industries reserved

for public enterprises under the Industrial Policy Resolution of 1956 have been reduced to six. Even in two areas (coal and lignite) out of the six, private enterprise has been allowed to operate. The reserved sectors are defence production, atomic energy, mineral oil, railway transport and specified minerals.

Disinvestment, either by outright privatisation as in the case of Great Eastern Hotel in Kolkata or in the case of joint ventures of government and private enterprise, is not an easy process. As the experience of West Bengal government shows the difficulties are (i) opposition of the employees who fear loss of job under outright privatisation, and (ii) disinclination of private enterprise even after showing "expression of interest" (EOI) or even after signing the memorandum of understanding (MOU). The situation becomes grim when recession sets in the economy because of global impact. The private investors show positive reluctance, as it has happened in the case of DLF withdrawing from its Dankuni Township Project. The restructuring of PSU-s with the help of funds from the British Government's Department for International Development (DFID) has not always been successful (*The Statesman*, 22 Feb. 2009).

As a part of the policy to raise resources, encourage wider participation and promote greater accountability, the Government of India has offered disinvestment in selected public enterprises. Earlier in the 1990-s a large number of public enterprises were allowed equity participation by financial institutions and general public to the extent of 20 per cent, which were to be increased to the upper limit of 49 per cent.

The disinvestment policy of the government attained partial success. Till 1996 a total amount of about Rs. 24,000 crore was raised by disinvestment. The Government of India appointed the Disinvestment Commission to regulate the sale of government share-holdings as well as to restructure the PSU-s. The Commission has suggested revamping of the PSU-s before disinvestment. As on March 1996, nearly 60 sick central PSU-s have been registered with the Board of Industrial and Financial Reconstruction (BIFR). To provide safety net to effective workers of sick industries, the Government has created National Renewal Fund under the administrative control of the Finance ministry. Till 1995-96, a total amount of nearly Rs. 1200 crore has been released from the National Renewal Fund, and about 60,000 employees of PSU-s were allowed to benefit under Voluntary Retirement Scheme (VRS). The budget support as non-plan loan to the PSU-s is a considerable amount of funds.

The PSU-s in India are legally treated as "authorities" under the state as

per Art 12 of the Constitution. Moreover, the Indian Companies Act 1956 puts severe constraints on the operational autonomy of public enterprises. Hence the PSU-s do not have a level-playing-field *vis-a-vis* the private sector in India. The PSU-s come under the audit of the Comptroller & Auditor-General of India as well as the intervention of the Central Vigilance Commission. The recruitment policy of the PSU-s is also governed by the Reservation policy for SC/ST/OBC people and the scrutiny by the Parliamentary Committees. Accountability of the public sector enterprises is comprehensive. The PSU-s form a part of the overall economic development, and they are expected to function as the agent of national policy. Since 1997 the Union government has started to grant full financial and operational autonomy to nine leading PSU-s called *navratnas* (nine jewels). Later the Government proposed to grant similar autonomy to a large number of profit-making PSU-s with a view to reducing political and bureaucratic interference in the operations of the PSU-s in general. Currently the PSU-s are not required to obtain clearance from Public Investment Board for capital expenditure. They are also free to raise resources either domestically or internationally. They can also enter into financial or technological joint ventures with other industries in India or abroad. Even the Government has started the practice of appointing part-time directors on the PSU management board in order to reduce the domination of Government nominees. However, the PSU-s remain subject to CAG audit and Parliament's scrutiny.

Recently (July 2009) the Government of India has announced its disinvestment plan of issuing initial public offerings (IPO) of new shares of some PSU-s to the public and also divesting 5 per cent of its own shares in the market. The PSU-s selected for disinvestment include National Hydroelectric Power Corporation (NHPC), Oil India Ltd. (OIL), Coal India Ltd. (CIL), Tyre Corporation of India, Central Inland Water Transport Corporation, RITES, National Mineral Development Corporation, Iron Ore Corporation, and Manganese Ore Corporation. The government's policy is to give to the people partial ownership of the PSU-s and to retain government control in all such units and not to allow its equity to drop below 51 per cent. The government takes resort to this method of disinvestment for mobilising funds to meet its fiscal deficit without losing control over the PSU-s and simultaneously benefiting by associating private sector management in running the PSU-s.

All these reforms in managing PSU-s in India have been taken to promote Good Governance. The performance of the PSU-s, which at times was dismal, has now improved. In the very recent past, some of them have started

contributing to the public exchequer. In the wake of globalisation and liberalisation, public sector in India still plays an important role in the process of the country's economic development. They, of course, would need a supporting role from the private sector. Efficiency of an enterprise depends on the quality of management and not on its ownership as such. It is possible and may be required to bring in a bit of culture of private management in the public sector. The future of the PSU-s in Indian economy would be safe and bright provided real operational autonomy is provided, bureaucratic way of functioning is modified, modern management techniques are brought about, the size of man-power is reduced, and effective accountability is enforced.

Questions

1. Discuss the importance of the public sector in India's economy.
2. Why reform in traditional public sector units was needed? What were the changes brought about by Narashimha Rao government?
3. Write a note on the Disinvestment strategy adopted recently in India.

Unit-3 Public-Private Partnership for Good Governance

Introduction

Post-independence India started with a Nehruvian model of development which assigned a key role to industrialisation programme with state-owned heavy industrial enterprises. Private sector was subjected to stringent quota and rules of licence-permit regime. Within a decade or so, it was revealed that state enterprises were not sufficient and private enterprises were losing full-blown initiatives. Administrative-political bottlenecks and corruption stood in the way of socio-economic development, and inadequate infrastructural growth became glaring. Soon it was experienced that the Public Sector Units could not survive without heavy doses of subsidies to make up for their losses. By the end of the 1980-s the grind came to almost a halt and there was acute crises in India's foreign exchange reserve and balance of payments. Government failure as well as market failure, especially in infrastructure development and social services, were primarily responsible for the crises. The 1990-s therefore witnessed a conscious retreat of the state as gradually the realisation dawned that there were other ways of seeking national prosperity.

The policy initiatives on the lines of public-private partnership emerged as the possible alternative in order to utilise the best of both worlds while overcoming the specific weaknesses of each. The New Public Management philosophy came hand-in-hand with the ideology of Good Governance in the 1990 s. In theory, the proposed paradigm shift in public administration and management of development produced the policy of public-private partnership (PPP) which made governmental functioning more oriented to face market tests and introduced privatisation of PSU-s, wherever necessary. The consequent reforms programme included market-oriented, consumer-friendly, competitive public administration, reducing government regulations, decentralising authority, improving quality of services, building infrastructures in partnership with the private sector. Formally speaking, all these reforms, including PPP, were not meant to dilute the government's responsibility and accountability. The government remains *accountable* for providing services, their quality, prices, and cost-effectiveness.

The new philosophy of public administration views the State as the facilitator and enabler whereas the private sector plays the role of financier and expertise-provider. The PPP approach visualises an administrative scenario where the

experience, resources, skill and expertise of public and private sectors are combined in order to deliver higher standard of service to the consumers. The public sector provides stable, democratic governance, citizens' support, partial financing and socio-political as well as environmental risk-taking. The private sector contributes access to additional finances, operational efficiency, innovative technologies, managerial efficiency and operational-cum-commercial risk-taking in project-management.

Conceptual Framework

PPP entered the vocabulary of public administration in India in the wake of New Economic Policy (1991) which heralded a shift from the public sector to private sector and globalization, along with Good Governance ideology. The academic discipline of Public Administration in the West witnessed the paradigm shift towards liberalization, privatization and globalization (LPG) sometime in the late 1970 s. The theorists of the New Right and New Public Management (NPM) adopted the LPG model of development and the World Bank's ideology of Good Governance. [see R. N. Prasad (ed), *New Public Management in India: Problems and Perspectives*, New Delhi, 2008]. The basic objective in these theoretical exercises is to 'roll back the State' and downsize the public bureaucracy with reduced powers. The stated purpose is to pave the way for efficient delivery of public services through privatisation. The idea of PPP is the theoretical baby of this new theory of governance, which has gained popularity in India since the early 1990 s.

The basics of PPP, however, is not a recent innovation in administrative practice. In many countries, including India, private management of public service-related work, was the standard practice at the municipal level. The practice of the government contracting out public works like construction and repair of roads, bridges, canals, small dams and minor irrigation projects, and leasing out government land to private agencies for a fee for markets, fairs, public conveniences and so on has been followed earlier in many countries. The PPP approach was, however, catapulted to the centre-stage of public policy and administration as an inevitable development strategy in the developing countries only because of the bandwagon effect of Globalization model of development.

Although appearing as a simple concept, PPP is essentially a complex concept in modern management theory. Its theoretical implications for democratic governance and decentralised development would be clear only after examining

the key concepts involved in the new approach of PPP, such as public vs. private domain (state vs. market debate), single vs. multiple publics, common good vs. individual good, state vs. civil society.

Public Sphere and Multiple Publics

The concept of public domain or public sphere is synonymous with the pursuit of such core values as pursuit of public interest, public welfare, public (common) good, public policy and administration including administration of justice, and public governance. Private domain, on the other hand, emphasises promotion of the private or self-interest of the individual, and maximisation of private profits in all endeavours including public life. Good Governance is equated with efficient delivery of socially essential public services by the government (including, of course, maintaining peace and public order). Success in private (business) administration is, on the contrary, measured by the single criterion of making maximum profit without any reference to legitimacy and ethics. When a public enterprise makes profit, it goes to the public coffer and is not supposed to line the private pocket. The public sector enterprise is directly accountable to the ministries and indirectly to legislature and the larger public whereas private sector management is accountable only to their shareholders. Business ethics and social responsibility of the private sector are, in practice, rhetoric and not legally enforceable.

The term 'public' philosophically implies unbounded and open-ended discussions in a plurality of perspectives. The idea of 'public' can accommodate internal differences of opinions and debates among the people, including the media. The ideology of participatory democracy demands widest exchange of views and opinions on public issues in the media, civil society groups, political institutions, NGO s. As Jurgen Habermas views the problem, the "public sphere" is a space in which citizens deliberate about their common affairs and hence it is an institutionalised arena of discursive interaction. This arena is conceptually different from the State, and also distinct from the official economy. The public sphere is not an arena of market relations but is rather one of discursive relations. A functioning democratic 'public sphere' requires a sharp separation between society and the state.

This Habermasian conception of the 'public sphere' has been criticised by the modern theorists of democracy. It has been argued that social groups like women, downtrodden, underprivileged, marginalised, dispossessed, disadvantaged and neglected are not socially and economically equal and are,

in effect, though not constitutionally, excluded from the public sphere. Secondly, without social equality in stratified and multicultural societies, there can be no participatory democracy. The subordinated and neglected groups would then articulate their identities, interests and needs by organising parallel discursive arenas. There exist, in fact, multiple publics in modern functioning democracies.

It is only through free discussion on a wide scale that it is possible to distinguish the public interest from the private interests and discover the common good of the society. Today it is not correct to consider economic decisions of market operations exclusively a "private affair" of capitalist investors. These decisions need to be brought into deliberations in the public sphere.

PPP

Public-Private Partnership (PPP) is always based on a formal and legal agreement for collaboration between a public authority (the central, regional or local government or public corporation and so on) and a private entity in the market (a domestic or foreign business house or some corporate body like MNC or Chamber of Commerce or NGO and so on) for some specific purpose like creating public asset or providing public service. The partners agree on the *modus operandi* for pooling of resources (funds, technology and expertise) for delivering specific public goods and services and / or building some public asset. PPP is simply an arrangement between the government or government agency and a private sector entity in which public activities, partially or traditionally, are performed by the private sector. PPP is a policy decision and initiative of the government at any level to promote public interest and public good. Alternatively, PPP refers to long-term, contractual partnership between the public and private sector agencies, specifically targeted towards financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector.

Forms of PPP

While implementing the partnership policy, PPP may take any one of the following forms viz. service contract, management contract, lease, concession, greenfield projects, and divestiture. [For details, see Nand Dhameja, "Infrastructure Financing: PPP Approach - Various Forms", *Nagarloek*, New Delhi, April-June 2007]

In service contract form, a public authority (central, state, local government) contracts out the provision of specific services connected with the felt needs of the infrastructure to a private service-provider for a specific time period in return for a management fee. However, the government agency retains the overall responsibility for the operation and maintenance of the system and it bears all the commercial risks.

In management contract the private partner performs specific tasks for a period (3 to 5 years) in return for a payment from the public authority. The government owns the assets, invests its capital and bears the commercial risks. This arrangement permits the private operator to take day-to-day decisions and the private partner is not responsible for any capital risks.

Under the Lease type, the public authority enters into a long-term lease agreement with a private company or builder to develop and operate an expanded facility with its (private company) own fund. The lease-holder pays a lease rental to the government, is entitled to keep the revenue to recover its investment and, in addition, a reasonable return during the lease period, and assumes operational risks.

Under the Concession form, the private entity is given a concession or franchise by the Government to build, own, operate and transfer a public facility like bridge, road, airport etc. on its own cost (BOOT system), and the franchisee (private entity) enjoys the right to collect user fee for a fairly long specified period and bears the significant investment risks. At the end of the contract period, ownership of the public facility is transferred to Government.

Another form of concession is BOT (Toll), under which the private partner builds, operates, and collects toll, and budgetary support is restricted to an upfront grant to the developer determined through competitive bidding. There is also the BOT (Annuity) form, under which "build, operate and transfer" is part of the concession, and the developer relies on annual payments determined by competitive bidding and made out of budgetary allocations spread over a period. In BOOT system, the private partner takes the toll collections, while in BOT system the public partner retains the toll collection.

There is also the build-own-operate (BOO) model where the private agency which sets up the project, called a 'special purpose vehicle' (SPV), continues to operate the project, maintain and upgrade it from the profit it earns from toll/fee charged from the users. The onus to find funds is on the private agency or the SPV from the market borrowing or bank loans. Examples of this form

of PPP are the flyover connecting Noida with Delhi, and East Coast Road connecting Chennai with puducherry.

The Planning Commission has recommended BOT (Toll) model as the first choice. But the Ministries of Shipping, Road Transport, and Highways favour BOT (Annuity) system.

The term 'Greenfield' is used by the World Bank for its projects newly built by a private entity or a public-private joint venture. It is similar to concession system. Under the 'Greenfield' system, a public facility is built and operated for the contracted period, at the end of which it is transferred to the public sector (BOOT). The government usually provides revenue guarantee through long-term contract for bulk supply facilities or minimum revenue guarantee. The newly-built Hyderabad and Bangalore airports are Greenfield projects.

In the divestiture (disinvestment) option, an existing public facility is operated by private operators in perpetuity under a franchise.

It is easy to understand and compare the characteristic features of various forms of PPP in terms of parameters like ownership, operation, management, capital investment, and period of contracts, the objectives sought, political commitment, cost covering tariff, regulatory framework or information flows.

The upsurge in private financing of infrastructure has been largely due to many reasons, viz. growing disenchantment of governments and consumers with the poor performance standard of public sector management of infrastructure ; fiscal constraints on traditional source of investable funds as reflected in the limited budgetary support ; technological developments enabling the unbundling of certain infrastructure activities and reducing the unit cost through facilitating competition ; and developments in financial market and innovations in financial instruments.

PPP and Privatisation

PPP differs from privatisation. Whereas PPP refers to private management of public services through long-term contract between a private operator and a public authority, privatisation involves outright disinvestment in, or sale of, public service or utility to private sector. Public-private partnership should not be seen as public partnership in private projects ; it should rather be viewed as private partnership in public projects.

PPP does not dilute the responsibility and accountability of the government. In this collaborative arrangement, the government remains accountable for

ensuring the standard of service quality, price certainty and cost effectiveness. In the PPP venture the government's role is re-defined as one of 'facilitator' and 'enabler', while the private sector plays the role of financier, builder and operator of service. The public agency or government contributes assurances for stable governance, citizens' support and financing, besides assuming social, environmental and political risks. The private sector brings in operational efficiencies, innovative technologies, managerial effectiveness, access to additional finances, and assumes construction, commercial and operational risks of the projects. [see E. S. Savas, *Privatisation and Public-Private Partnership*, New Delhi, 2000 ; Girish K. Misra and G. C. Mathur, *Public-Private Partnerships in Urban Development*, New Delhi, 1997].

Socio-economic development critically depends on infrastructural development, which in turn, is directly linked to availability of right quantity of infrastructure. Non-availability of infrastructure in right quality and quantity adversely affects all sectors of the economy—primary, secondary and tertiary—and also imports and exports, standard of living and per capita income.

As defined by the World Bank, [Infrastructure for Development, *World Development Report*, Washington D. C. 1994], "infrastructure" is an umbrella concept involving many activities referred to as 'social overhead capital'. It includes *public utilities* like power (energy), telecommunication, piped supply of potable water, sanitation, sewerage, solid waste management, piped gas supply, etc. ; *public works* like roads and highways, major dams and canals for draining and irrigation ; and *transport facilities* like urban and inter-urban railways, trams, underground railways, overhead monorails, bus service, ports, and waterways.

Infrastructure is also defined as the physical framework of facilities through which goods and services are provided to the public. Infrastructure linkages to the economy are multiple and complex, because it affects production and consumption directly, creates negative and positive spill-over effects. It contributes to economic development, both by increasing productivity and by providing amenities, which enhance the quality of life.

In narrow terms, infrastructure services include three basic services. viz transport (roadways, railways, airways, and water transport), power (generation, transmission, distribution) and communication. In broader terms, it also includes social infrastructure services covering education, medical care and other primary services.

India's Experience of PPP

Government of India realised in the mid-1990s that the availability of quality and efficient infrastructure services is essential for accelerating economic development in the country. In 1995 Rakesh Mohan committee was appointed on India's infrastructure needs. The Committee on Infrastructure with the Prime Minister as the chairman was set up in August 2004 for initiating policies that would ensure time-bound creation of world-class infrastructure and service delivery on international standards, and for maximising the role of PPP. Another committee on infrastructure finance was set up in December 2006 under the chairmanship of Deepak Parekh to make detailed recommendations on infrastructure finance.

The Government of India has identified the following six infrastructure sectors ; (i) Highways, (ii) Railways, (iii) Ports, (iv) Airports, (v) Telecommunication, (vi) Power. The Committee on Infrastructure estimated that infrastructure development would cost an investment of Rs. 14.5 lakh crore (\$ 320 billion) during the Eleventh Plan (2007-12) period in the six sectors identified for PPP.

As for the financing pattern of PPP, the Government's policy decision, *inter alia*, is to provide an one-time grant as Viability Gap Funding to make the PPP projects commercially viable. This gap funding is normally *not to exceed* 20 per cent of the project cost and an additional 20 per cent may be funded by the Government in special cases.

As for administrative preparation, PPP Approval Committee has been set up as per the decision of the Cabinet Committee on Economic Affairs in October 2005. The Approval Committee consists of the Secretaries of Department of Economic Affairs, Planning Commission, Dept of Expenditure, Dept of Legal Affairs, and of the sponsoring Department of the Government.

So far as the policy decision is concerned, distinction between the public (government) and private (market) spheres of life has been liberalised, the private domain has become wider than before so as to include civil society organizations, foreign companies and even MNCs within its scope.

Since the early 1990s the market-driven model of development has replaced the PSU-led model of development, and the private sector has emerged dominant to play a crucial role in the development of the economy. In this effort, PPP reforms has played an important role in the opening up of the economy. The Economic Survey of India 2006-07 has observed ; "....In India, while stepping up public investment in infrastructure, the government has

been actively engaged in finding an appropriate framework, which gives the private sector adequate confidence and incentives to invest on a massive scale, but simultaneously preserves adequate checks and balances through transparency, competition and regulation." (p. 178)

The global experience in PPP approach of development indicates that the success of the PPP approach would depend upon many factors such as government commitment, legal and regulatory framework, stakeholders' involvement, cost recovery tariffs, design and forms of PPP approach. Therefore, the PPP approach requires a clear-cut policy to protect the three stakeholders viz. the government, the private developer (company), and the user-public.

Constraints on PPP Experiment

The Economic Survey of India (2007-08) has noted that while encouraging PPPs, the Government has identified six constraints :

- [i] Policy and regulatory gaps, especially relating to specific sector policies and regulations ;
- [ii] Inadequate availability of long-term finance (10 years plus), both equity and debt ;
- [iii] Inadequate capacity in public institution and public officials to manage PPP processes ;
- [iv] Inadequate capacity in the private sector, both in respect of developer / investor and technical manpower ;
- [v] Inadequate bankable infrastructural projects that can be bid out to the private sector ;
- [vi] Inadequate advocacy to create greater acceptance of PPPs by the public.

Besides these officially-noted constraints, there could be others. All these have to be identified and addressed through policy mechanisms, institutional arrangements, legal and regulatory framework, capacity-building, oversight, transparency, and properly worked out sets of incentives and disincentives. PPP has high potentiality of contributing to economic development and meet infrastructure gaps in India. But, as the Union government itself concedes, "PPPs are not a panacea. They represent a claim on public resources that needs to be understood and assessed by the Government, and are often complex and long-term transactions in which mistakes in design can be costly." ([www. pppindia.com](http://www.pppindia.com)).

The Dabhol experience in the past has amply demonstrated how this apprehension can become a stark reality. In all PPP projects and arrangements the unexceptional requirements are to provide high and reliable service standards and, at the same time, ensure value for money to users. Such partnerships must yield savings in costs through adoption of appropriate and frontline technologies, innovative designs, timely project implementation, higher operational efficiencies, providing a good quality service to users as a result of adopting better managerial practices, and, importantly, development of cost-effective solutions.

From 2004 onwards the Government has started taking steps for instituting institutional arrangements and enabling framework. For example, a PPP cell has been created in the Department of Economic Affairs for taking initiatives relating to policy, schemes, programmes, capacity-building, legal framework requirements, coordination needs, guidelines development, and so on. Secondly, a high level appraisal mechanism for PPP projects has been evolved, streamlined and notified in the form of the PPP Appraisal Committee for Central Projects. Thirdly, a website has been launched to serve as a virtual market place for PPP projects and online data base has been developed to provide updated status information. [T. N. Dhar, 'Public-Private Partnership in India-Policy Strategies and Operationalisation Issues', *Indian Journal of Public Administration*, Vol LIV (3), July-Sept 2008].

Some state governments like Uttar Pradesh and Karnataka have set up separate departments of infrastructure development as nodal agencies to oversee PPP projects. Other states have set up high-level interdepartmental committee under Chief Secretary for the purpose.

In India the widely used PPP form is either BOT or BOOT type. An overwhelming majority of the projects have been based on open and competitive bidding processes. Substantial experience has already been gained in PPP-based projects, but since many of these projects have long gestation periods or operational durations, a proper evaluation of impact has yet to emerge.

Conclusion

There are some PPP-s that have not done well. The ill-fated Bangalore-Mysore Expressway project of Nandi Infrastructure Corridor Enterprise is seven years behind schedule. The Delhi-Gurgaon Expressway has had its share of problems with cost overruns, failure to meet deadlines, and operational process of toll fee collection. There are also problems in deciding on optimum risk

allocation. The unpleasant experience with Enron company in Maharashtra and the open bickering resorted to by its management is fresh in public mind. Consequently, the PPP fell through and Enron itself collapsed in the United States, proving good for India.

Considerable work is needed to be done to create an enabling environment which would not only attract private investment but must also be seen to be in public interest. Services need to be provided at reasonable cost and in a transparent manner. This much has been conceded by the Government in the Eleventh Plan Approach Document (Planning Commission, 2006). The Planning Commission has correctly concluded: "The key to making PPPs acceptable is to create an environment where PPPs are seen to be a way of attracting private money into public projects and not putting public resources in private projects." The rhetoric is fine, but the crux lies in balancing public acceptability, public needs and public interests with reasonable pricing as well as fair returns to the investor.

Questions

1. Explain the main arguments in favour of public-private partnership.
2. Discuss the New Economic Policy of 1991.
3. Explain the terms 'public' and 'public sphere'.
4. What are the different forms of public-private partnership? Discuss.
5. Make a comparison between public-private partnership and privatisation.
6. Discuss India's experience of public-private partnership and identify, in this context, the constraints of public-private partnership.

Unit-4 Good Governance through e-Governance

The word 'governance' came into currency since the early 1990s when the World Bank underlined the importance of representative bodies for successful implementation of development projects funded by it. Although the issue of good governance has since then engaged the attention of academics, policy-makers, bureaucracy, NGOs, the debate over it is externally induced and it has already caught the imagination of the governments in India at the central and state levels.

The expression 'governance' is generally viewed as the phenomenon in the form of activities of the three branches of the state executive, legislative and judiciary, but without the synergistic relations with the private sector or the civil society. With the coming of the welfare state in a big way in the mid-20th century, the State took upon itself a large number of activities affecting the lives of citizens from "womb to tomb". In many Third World countries like India the political leadership was initially oriented towards a 'socialistic pattern of society' through planned development. The state entered into many areas of activity for delivering specific services to the people, leading to vast expansion of administrative functioning of the governmental organs and agencies. To meet the diversified needs of the people requires gigantic efforts of the government which, in course of time, learnt the need of using in a big way innovations in information technology. In this way, e-governance is fast becoming a new dimension of governance.

After the Industrial Revolution, the most important revolution is the information revolution made possible by the development and use of Information Technology (IT). In many parts of the world, IT has changed the nature of society. It has many potential uses and its application has a positive impact on the organizational, social, political and economic activities of the people. It has brought about many facilities in public and private services, public administration, urban and rural development, postal and transport sector, railways and aviation industry and so on. It is also playing a vital role in improving the quality of life for citizens, especially in health services, education, technology, environment management and agricultural development.

E-governance

'E-governance' is a contraction of "electronic governance", that is, the

process of governance using electronic means. The journey from governance to e-governance is mostly ad hoc, tentative, expedient and ill-equipped. Most of the e-governance initiatives provide an example of a mix of successes and failures. A typical example of mixed e-governance in India is the formal launching in 2006 of e-filing of income tax returns, which has been a great success.

The advent of Internet/World Wide Web (www) in the 1990s has given rise to a networked society. In his monumental book *The Information Age: Economy, Society and Culture* (Oxford : Blackwel, 1996), Manuel Castells comes to the conclusion :

“As a historical trend, dominant functions and processes in the information age are increasingly organised around networks. Networks constitute the new social morphology of our societies, and the diffusion of networking logic substantially modifies the operation and outcomes in processes of production, experience, power and culture.” (Book-I, p. 469).

E-governance is the popular term meaning essentially “e-administration” which is different from, and bigger in scope than, “e-government”. E-administration (e-governance) is the process further than automating the public service delivery and involves direct participation of citizens in government activities. It needs new pattern of cooperation in public, private and civil organizations. Technology in governance mandates higher public accountability, a consensus among stakeholders and an integrated model of e-administration (e-governance) implementation.

E-governance implies use of Information and Communication Technology (ICT), that is, Local Area Network (LAN), Wide Area Network (WAN), Internet (International Network), mobile and computing technology to transform government by

- (i) making it more accessible, effective, and accountable ;
- (ii) providing access to requisite information ;
- (iii) enabling the people to interact with officials ;
- (iv) making operation transparent ;
- (v) offering public services on-line.

United Nations Development Programme (UNDP) refers to e-governance as multifaceted use of ICT for improving collective governance that includes making delivery of services more accessible, efficient and responsive. The role

of e-governance in delivering, monitoring and policy-making of public services consists of a three-step model of **e-government** (providing better quality and efficient delivery of services, in partnership with private sector or civil society organisation), **e-regulation** (regulating price, quality and accessibility), and **e-democracy** (making policy by taking feedback of the people and other stakeholders.)

'E-government' is a multi-disciplinary exercise in which the social scientists, lawyers, computer scientists, electronic engineers (software and hardware) are all involved. But at the centre of e-government is the citizen who has a right to have good governance. David Garson points out : "The promise of digital government will be fulfilled by a new generation of public managers, who are generalists, not technocrats, capable of integrating the disparate fields of consideration, which are necessary aspects of the vision of e-Government as a whole." [David Garson, "The Promise of Digital Government," in A. Pavichev *et al*, *Digital Government : Principles and Best Practices* (2004).]

E-governance has been acknowledged as a tool for promoting efficiency and effectiveness in government with the goal of providing integrated, efficient and quick services to the people.

E-governance has been defined as digitization of government information and on-line transaction of public services. Government of India defines it as the use of ICT to bring about Simple, Moral, Accountable, Responsible and Transparent (SMART) governance. By using the Internet as a medium, the government at the national, regional and local levels provides electronic delivery of public service to its citizens.

Good Governance and e-Governance

The concept of 'Good Governance', which entered the vocabulary of public administration in the 1990s through the World Bank's use of it, introduces new values of governance in order to establish more efficient, effective, legitimate and credible governance system. It derives its relevance in the context of misgovernance, particularly in the developing countries, where the governing system has proved ineffective in checking misuse of public funds for private gains by the politicians-bureaucrats-businessmen nexus. Good Governance is the World Bank's suggested remedy to this condition. An important tool of Good Governance is e-governance which implies delivery of public services and information to the people through electronic means.

Good governance and e-governance are the two sides of the same coin; they reinforce each other. Good governance has often been cited as an essential requirement of an accelerated socio-economic development of the developing countries. E-governance would be quite helpful to attain this goal.

However, e-governance is creating a paradox in so far as the issue of decentralization in public administration, an important element of good governance, is concerned. While the governments of the developing countries are advocating and, in fact, practising decentralization, e-government, by definition, is leading to centralization by way of one-window, integrated or seamless public service delivery. Similarly, another favourite concept with the World Bank is New Public Management (NPM), whose basic tenet is decentralization and privatization. This principle comes into conflict with e-government technology which leads to centralization.

There is a fundamental "paradox" between digitally-enabled government and the philosophy of New Public Management. NPM focuses on decentralization and the separation of policy-making from policy-implementation, with the latter in the hands of relatively small, special-purpose agencies with a private-sector-like business style. Digital governance (that is, e-governance), by contrast, sees efficiency in re-integration, reorganising the separate agencies' functions into "bundles" that relate to particular life events as experienced by the citizens. The digital era has also brought a tendency to centralise common "all-of-government" functions such as customer authentication, which runs counter to the separate accountability of agencies and their heads, fostered under New Public Management. Thus a centralization-decentralization tension has come into being in e-government. Although both e-government and NPM aim at improving performance in the public sector, they are two different concepts.

'Bureaucracy' has become a bad word at the juncture of the twentieth and twenty-first centuries. Professor B. Guy Peters in his book *The Future of Governing: Four Emerging Models* (Kansas University Press, 1996) has identified four basic patterns in the practices of New Public Management, viz (i) market government (pay for performance), (ii) participatory government (empowerment and flatter organization) enabling the people to speak up, (iii) flexible government (vertical organization and temporary allocation of staff to specific tasks), and (iv) de-regulated government (managerial freedom). It is possible to distinguish between e-government and NPM on these four dominant features of NPM. Market government is partially present in e-government at the current stage of its development by promoting customer-

orientation, e-procurement etc. Participatory government is partially present in e-government by way of citizen feedback on on-line services. Flexible government is partially present in e-government by way of promoting joined-up government or provision of seamless services. Only de-regulated government is not present in e-government, as e-government leads to centralization rather than decentralization.

Dunleavy *et al* in their five-year study of seven countries (Australia, Netherlands, New Zealand, USA, Japan, UK, Canada) have observed that as a cognitive and reform scheme, New Public Management is still afloat. [P. Dunleavy, H. Margetts, S. Bestow and J. Tinker, *Digital Era Governance : IT Corporations, the State and E-Government*, Oxford : OUP, 2006]

However, there is the strong possibility that as e-government marches on from strength to strength, despite several barriers on the way, it will supersede New Public Management, though incorporating many salutary features of NPM. Hence Dunleavy *et al* boldly declare : "New Public Management is Dead, Long Live Digital Era Government."

New Public Management was introduced in the developed countries in the 1980s calling for large-scale privatization of public services. But the developing countries were, by and large, left untouched. In India, New Public Management (NPM) was not introduced as a matter of public policy but it came partially as a spill-over effect of interaction with the advanced industrialized countries. Some Indian management experts have been making the campaign in favour of New Public Management as the "new management mantra". However, strong rebuttal of this thesis has come from foreign management experts. Based on the experience of some Third World countries like Chile where NPM was resorted to vigorously between 1973 and 1989, they have argued that the wave of the present, and of the future, lies not in simply dismantling government sector in the somewhat naive belief that the socio-economic problems will take care of themselves. They are of the strong opinion that it wouldn't happen like that. The past record does not speak in favour of large-scale privatisation. Osborne and Gaebler make an inspiring call for re-inventing government and come out with an apparently convincing agenda to make government sector community-owned, competitive, mission-driven, result-oriented, customer-driven, enterprising, anticipatory, decentralised and market-oriented. [David Osborne and Ted Gaebler, *Re-inventing Government : How the Entrepreneurial Spirit is Transforming the Public Sector* (New Delhi : Prentice-Hall of India, 1992)]. But their plea for rejuvenating the public sector with necessary reforms has failed

to make any tangible impact on the policy-making in the developing countries so far as administrative reforms are concerned.

E-governance in India

Government of India has adopted a policy to encourage both software development and hardware manufacturing by creating an appropriate environment under National e-Governance Action Plan for implementation. National Task Force on IT and Software Development has been established. The Government has launched a project of community information centres (CIC). A high-powered committee headed by Cabinet Secretary has been appointed to improve administrative efficiency through IT in governance. Each Ministry and Department has created its own website to provide on-line information and these are updated regularly. National Database of Income Tax Payers is being developed. The Indian exporters and importers can file their documents on-line. The Universities are networking their libraries through a network called INFLIBNET. At the state level, in government departments such as Registration, Commercial Tax, Transport, Ration Card and Public Distribution System, Treasury, Health, Municipal Functions etc, consolidation of database through computerization has been taking place.

The state governments are steadily moving from manual processes to on-line delivery using conveniently located service-centres in public places. Counters at these service centres are manned by public/private agencies and multiple services such as payment of taxes, registration of births and deaths, land records, driving licenses, bus passes, bills of water, electricity and telephone charges are provided on-line at each location. As a result, citizens have benefited from reduced delays, availability of multiple services through single window, avoiding frequent visits to government departments and reduced corruption. By providing information on-line, transparency has also improved.

The following are some notable e-governance initiatives launched in the different states of India :

(i) **Bhoomi** project in Karnataka, started in mid-1998, is a major initiative to computerise land records to ensure secure title-deeds and substantially reduce corruption cases. This project, implemented with the active involvement of the private sector, has been a success in achieving transparency in government work and reducing administrative corruption. It has simplified rules and procedures, thereby removing delay, hardship and harassment of citizens.

(ii) **CARD** (Computer-aided Administration of Registration Department)

initiative in Andhra Pradesh has been designed to eliminate the maladies affecting the conventional registration system by introducing electronic delivery of all registration services. Its declared purpose is (a) to de-mystify the registration process ; (b) to achieve speed, efficiency, consistency and reliability, and (c) to substantially improve the citizen-administration interface. The CARD project has become a success insofar as about 80 percent of all land registration transactions in Andhra Pradesh have been carried out electronically. Since 60 per cent of transactions relate to agricultural projects, the success of CARD project has brought great benefit to the rural farming community.

(iii) **e-Seva** : Electronic seva, launched in the twin cities of Hyderabad and Secunderabad in August 2001, operates through 32 centres operating from 8 a.m. to 8 p.m. on all working days and from 9.30 a.m. to 3.30 p.m. in holidays. Citizens can pay utility bills, avail of trade licenses and transact on government matters at these seva centres by paying nominal charges. The scheme has been a tremendous success and has netted a thumping collection of nearly Rs. 200 crores in 2002-2003. The project has been extended to other areas, including rural districts. Customized services like issuance of certificates and land records, on-line mandi roles, tele-agriculture, common accounts of Self Help Groups (SHG) are offered from the e-Seva centres.

(iv) **Gramsampark** is a flagship information communication technology (ICT) product introduced in Madhya Pradesh. A complete database of available resources, basic amenities, beneficiaries of government programmes and public grievances in all the 51,000 villages of Madhya Pradesh can be obtained by accessing the Gramsampark website, which has three sections dealing with village scenario, grievance redressal, and village sentinel. There are four more programmes under the monitoring system relating to untouchability eradication, women's empowerment, water conservation, and sanitation campaigns.

(v) **Lok Mitra** is the electronic project in Himachal Pradesh, formally inaugurated in 2001, which offers information about vacancies, tenders, market rates, matrimonial services, village e-mail and so on. This IT-enabled system can also be used by citizens as a grievance redress system.

(vi) **Mahiti Shakti** is the e-Seva project in Gujarat, launched in 2001, through which citizens can access information on all aspects of the government's functioning, various benefit schemes, services ranging from obtaining ration cards to getting sanction for old age pension. All these services can be obtained from STD/ISD kiosk on payment of nominal service charges.

(vii) **e-Sampark centre** is IT initiative of Chandigarh Union Territory administration, which aims at creating a knowledge-based society through extensive use of information technology and providing a responsive and effective administration for the welfare of the public. This initiative was launched in 2000 with the help of IBM's e-governance framework. Under this project, electronic citizen service centres (named e-Sampark centres) have been established in the city, which provide different government services under a single roof. Citizens can have, on payment of token service charge, integrated, efficient and quick services in respect of payment of taxes, water and sewerage bills, electricity bills, issue of bus passes, senior citizen cards, disability identity cards, birth & death certificates, registration of tenants and domestic help, passport application, postal challans, grievance/complaint redressal system.

Empirical evidence suggests that ICT-based e-governance has not only improved governmental efficiency and effectiveness but also resulted in better quality of services to the citizens. It has also facilitated better interface between people and government and more transparency in operations of public organization. In India both the Union government and the state governments, especially Andhra Pradesh, Maharashtra, Madhya Pradesh, Tamilnadu, Karnataka, Kerala, Chandigarh have successfully implemented e-governance initiatives.

From both economic development and e-governance points of view, most states in India are in the preliminary stage where people can access information on the Net. The states like Madhya Pradesh are in the second stage where limited interaction with citizens has started. People can post a query on the Net, send an e-mail and, hopefully, get a reply. At the third stage, the transaction is concluded on the Net from making payments and getting receipts. Andhra Pradesh, Gujarat and the Railways are at this stage. The fourth is the transformation stage where government to consumer, business to consumer, and government to government interface is conducted through the electronic medium. E-governance means to change fundamentally the government's methods and habits in its operations.

E-governance as a Strategy for Combating Corruption

It is well-known that there is deep-rooted corruption in the Indian administrative system, which adversely affects the everyday life of the common man. E-governance has some role in combating corruption in the delivery of public services. E-governance technology helps in securing transparency,

accountability, sustainability, reliability and efficiency in the system of service delivery. But it cannot, by itself, overcome corruption ; for achieving this goal, strong political will be required. In addition, focused administrative strategy, business process engineering for simplifying and opening up the administrative system through people's right to information would be necessary.

Corruption in public administration not only deprives the nation of the optimum benefits from its resources for nation-building but also endanger national security. It hits most the vulnerable and deprived section of the population. Corruption is India's most dangerous enemy from within. The Supreme Court of India in its order in a case in February 2000 related to corruption observed that corruption in a civilised society is like cancer which, if not detected in time, is sure to render the polity malignant, leading to disastrous socio-economic and political consequences.

Among the various strategies for securing Good Governance, e-governance has been considered in India as one of the effective approaches since the late 1980s. Its use has spread rapidly since the mid-1990s for improving the service delivery systems, most importantly in the airlines and railways management. In other sectors such as land administration, local government, health and education, the importance of Information and Communication Technology (ICT) is increasing very rapidly for fast delivery, especially making it pro-poor and helpful to the voiceless and vulnerable section of the population. The World Bank has noted 15 innovative cases in service delivery across India. [World Bank, *Reforming Public Services in India : Drawing Lessons from Success*, New Delhi : Sage, 2006]

Despite the policy of liberalisation, de-regulation and privatisation followed by the Government at the union, state and local levels since 1991, the role of the public authority (the state) in providing public services has not diminished. In India the advantages of cost reduction and technology innovations through private initiatives do not hold good in providing services to the poor and disadvantaged because of their (i) low capacity to pay, (ii) geographical scatter ; and (iii) unorganised voice. Privatisation is advantageous to the elites in urban and rural areas but it is found to have worsened the plight of vulnerable population, or even alienated them.

[R. Jenkins and A.M. Goetz, "Accounts and Accountability : Theoretical Implication of the Right to Information Movement in India," *Third World Quarterly*, 20(3)]

N. Vittal, the former Central Vigilance Commissioner, says that in the post-independence era, initially individuals corrupted the institution but later corruption has become institutionalised and inevitable culture in public life. The expectation of the common man about e-governance acting as a check on administrative corruption has been vividly described by a senior bureaucrat in the central government : "Common man felt that he would benefit immensely from good governance via e-governance (which is nothing, if not citizen-friendly) and opts for it, whereas the government itself is faltering, winking and talking hatlingly. People have long been a harassed lot in their relationship with the government—proverbial babudom with endless forms, regulations, by-laws, paperwork, delays, secrecy, authoritarianism and negativism— and they would like to be out of all these nightmarish experiences. They would not take this any more and, therefore, demand for 'good governance', slogan for 'paperless office' and cry for technology as if e-governance provides the panacea." [B.K. Dey, "Challenges and Opportunities— A Future Vision" *Indian Journal of Public Administration* (New Delhi), 46(3), July-Sept 2000] He has claimed that hardware and software constitute only 10-15 per cent of the problem, and the remaining 85 per cent is organizational management problem, which is internal to the government.

The popular expectation failed. As noted by World Bank, in Andhra Pradesh the e-seva became a successful mould in delivery of public services ; neither the Chief Minister nor the civil servants cast e-seva as an attempt to curb corruption ; instead it was treated as programme to enhance citizen convenience and reduce drudgery of public servants. [World Bank, *Reforming Public Services in India : Drawing Lesson from Success* (New Delhi : Sage, 2006)]

Although not the panacea, e-Governance's viability in fighting administrative corruption in public service delivery is not beyond doubt. Its success is dependent on a number of conditions. It is a powerful tool which can multiply coverage by extending decentralised outreach along with centralised monitoring. It can increase functional efficiency in public service delivery and enhance transparency in the delivery process. It is quite helpful in augmenting reliability and consistency in the programme of delivering public services, and in ensuring accountability by limiting the discretion and therefore arbitrariness in decision-making. It is useful for making public services available at affordable cost.

However, there are many organizational roadblocks. The foremost road block is the complexity of delivery system which needs to be simplified with citizen-centric approach rather than techno-centric approach in e-governance

initiatives. The Chief Secretaries Conference in 2006 advocated this approach.

Constraint of 'Digital Divide'

It has been argued that in India there is a big socio-economic 'digital divide' in the sense that a large section of the population does not have access to computers and the Internet. There are only 1.65 per cent Internet users in India as against 9.00 per cent global average, 2.70 per cent in China and 59.00 per cent in the USA. There is really a large gap in availability of computers and Internet facilities to the common people, especially in the rural areas of India.

The 'digital divide' argument boils down to the basic chicken and egg dilemma : which comes first, chicken or egg? Should India wait for large-scale per capita computer and Internet availability for initiating e-governance drive or use appropriate strategy to harness the strength of technology for the benefit of citizens? On comprehensive analysis of all sides of the question, it appears that the second approach would be a better option. Public kiosks can multiply the outreach and various other appropriate reforms may be helpful for connecting people to digital service. The various ICT initiatives in rural areas of Andhra Pradesh, Maharashtra and Madhya Pradesh are quite successful. The computerisation of railway reservation system in India is a vibrant example of ICT initiative driving out corruption from countrywide network. By starting on a small scale and then quickening the pace of outreach India can gradually move from e-operations to e-regulation to e-governance in providing good governance.

E-governance assists change and creates efficient, consistent, transparent and accountable system, having no scope for arbitrary discretion. It empowers people by facilitating them to check the status of public services on-line and give feedbacks and lodge complaints without fearing wrath of the public functionaries. [For further discussion on this point, see Amita Singh (ed), *Administrative Reforms : Towards Sustainable Practices*, Delhi : Sage, 2005]

However, certain conditions need to be fulfilled for making the e-governance initiatives succeed in curbing corruption. E-governance is a process which requires planning, sustained dedication of resources and strong political will to fight corruption and minimise it. The goal cannot be achieved just by purchasing computers and launching an informative static website. Continued interactive efforts with clear long-term vision would be needed to provide

corruption-free good governance in the delivery of services and strategy for scaling up success.

The Fourth Report of the Second Administrative Reforms Commission mentions that if the storage, retrieval, processing and transmitting power of ICT is properly harvested, it can make governmental processes more transparent and objective and so reduce the scope for corruption. [*Ethics in Governance : Fourth Report of Administrative Reforms Commission*, Government of India, January 2007.] For e-governance in the delivery of public services to succeed, it is necessary that existing procedures are properly re-engineered and made computer-adaptable. An ICT-expert administrator finds a research gap in establishing direct link between e-governance strategies and anti-corruption outcomes. [D.S. Misra, 'E-governance as a Reform Strategy for Combating Corruption in Delivery of Public Services,' *Indian Journal of Public Administration*, 53(3), July-Sept 2007.]

Empirical studies may be undertaken on the large-scale investments in e-governance initiatives in order to find out reaction and behaviour of possible losers like "corruption entrepreneurs" who are bent on giving bribes for getting swift services.

For achieving good result, e-governance initiatives need to be planned with a clear long-term vision for fighting corruption in public service delivery system. The delivery system has to be made unambiguous, understandable and transparent, empowering citizens with all relevant information. It would be necessary to eliminate personal discretions of the public officials by process design in order to make decisions specific and consistent. As a matter of policy, public-private partnership model may be encouraged to reduce initial burden and instil confidence in citizens. Political and top management support has to be mustered to thwart possible attempts by entrepreneurial losers to subvert the e-governance initiative.

Conclusion

The escalation of Information Communication Technology (ICT) has re-defined the nature of governance to make it more effective and more accessible to citizens as well as the public officials. In recent time some people prefer to use the expression "e-administration" as something larger in scope than "e-governance". The former goes farther than automating the public service delivery, and involves direct participation of citizens in government activities.

Technology in governance mandates higher public accountability, a consensus among stakeholders and an integrated model of e-administration implementation.

Andhra Pradesh government has set up e-procurement exchange to streamline processes of procuring work, goods and services in place of the traditional systems of procurement in government departments through manual mode which used to suffer from inordinate delay (four to six months) in tender processing, heavy paper work, multilevel scrutiny, cartel formation by the contractors and so on. This e-procurement system has led to smart governance meaning increased transparency, monitoring and control of procurement process. It has improved the availability of information to the government departments for monitoring and reviewing the public procurement.

E-governance is undoubtedly of great help in achieving Good Geovernance. But in the midst of euphoria about e-governance it would be necessary to pay heed to certain points. First, e-governance is different from the pattern of governance India inherited from her colonial past. Both psychologically and practically, the mentality and habits of the people are accustomed to the Weberian model of rule-bound, file-based administration. Hence a fundamental change in the orientation of the executive, legislature and judiciary as well as of the people in regard to public administration and governance would be required. E-governance would not improve efficiency unless the existing administrative procedures are changed. The necessary changes in administrative procedures would have to be familiar to the people who are to understand, accept, internalise and adopt the changed form of communication and decision-making.

Secondly, the benefits of e-governance can be realised only if the people have digital literacy. If e-governance remains understandable to the elite sections only and the common man does not have access to it in practical life, the benefits would be minimal. Apart from providing infrastructure for the introduction of e-governance, the common people would have to be enabled to derive the benefits of technology in the midst of dehumanising poverty and illiternity.

Thirdly, in place of the traditional administrative culture of the public officials having distrust towards the *aam admi* and the *aam admi* entertaining lack of trust in the public administrators, a new culture of mutual trust must pervade the society in order to fully realise the benefits of e-governance.

Fourthly, e-governance should not be projected and seen as the panacea for all the ills of maladministration. Introduction of e-governance requires the

necessary infrastructure and sincere home work on the part of the government at the central, state and local levels, the necessary political will of the leaders in government and administration, ready cooperation of the informed civil society and of common people who have a stake in introducing and promoting good governance.

Questions

1. Explain the terms 'governance' and 'e-governance'.
2. How is the concept of 'Good Governance' related with 'e-governance'.
3. Discuss the case for e-governance in the Indian context.
4. What are the different initiatives launched by the different states in India?
5. Explain how 'e-governance' is helpful for combating corruption in public administration.

Unit-1 Social Justice and Good Governance : Administration for the Poor and the Marginalised

Economic liberalization is a part of the overall concept of Good Governance prescribed for the developing countries. Compensatory measures for protecting the poor and the marginalised constitute an important programme of achieving Good Governance. Economic liberalisation in formerly State-driven economies requires deregulation and privatisation to bring about full employment by removing the fetters of state control and is expected to usher in the dynamism of an automatically developing private sector. But private sector can function in a dynamic way only when it is propelled by mass-demand. Compensating the poor and the marginalised is an essential condition for successful economic liberalization programme. The Washington Consensus of the early 1990s postulated that in low-income, low-productivity economies the absence of fundamental traits of the standard capitalist system prevents development of automatic dynamism in the private sector.

The low level of mass consumption is caused by low wages and low investment level, thereby leading to persistent unemployment. But neo-classical and Keynesian macro-economics agree that rising wages can start the process of development. Keynes recommended increased spending by the State, but this measure was not expected to raise productive capacity. It was the lowest-cost solution to raise the administrative capacity for strengthening the bargaining power capacity of labour in order to bring the economy back to a near full-employment level.

In many developing countries there is a "marginality trap." This means that there are large numbers of able-bodied workers, who are not able to produce an additional product which is higher than the inevitable costs of subsistence. Economic liberalisation through de-regulation and dynamic privatisation, leading to a capitalist process of accumulation, will be able to contribute to full employment only if the problem of 'marginality trap' could be tackled.

The principle of Equity is an important component of the ideology of Good Governance. As a principle of social philosophy, equity stands for social justice with some emphasis on egalitarian distribution of social and economic resources without any positive discrimination towards the poor and the marginalised, the disadvantaged and the deprived section of the society. This

principle is especially important for socially-divided countries like India. The strategy of Good Governance in the developing countries must, therefore, be based on the concept of "inclusive development" which would take a special care of the needs of the poor and the marginalised. Since the 1970s 'equity' has emerged as a prime value consideration in the development discourse. In the 1990s the ideology of Good Governance could not ignore it.

Unequal distribution of effective political power in society ultimately brings in a distorted development in the socio-economic sphere. The societal power structure needs to be re-structured and power equation re-aligned in favour of the oppressed and the excluded. Deification of the market in the name of Good Governance would be self-defeating and would increase the misery of the poor and the vulnerable.

Poverty is structural in nature having its roots in the social-economic and political conditions. Eradication of poverty is a distant goal ; even amelioration of poverty would be impossible unless the poor and the marginalised people do have a voice in choosing, designing and implementing as well as monitoring and evaluating development projects. In the traditional strategy of development administration the bureaucrat-expert-professional-politician nexus had exercised their domination. Powerlessness, that is, inability to exert any influence on decision-making process determining access to assets and resources, is an important dimension of poverty. The government-initiated development process generally by-passes the poor and the marginalised people. Thus the silent and neglected majority remains the object, not the agent, of development efforts.

In order to rectify defects and shortcomings of this process an " alternative" development paradigm is suggested, which goes by such labels as people-centred development, participatory development, bottom-up development and so on. This concern of paradigm shift in development discourse converges on the poor and the marginalised. In recent time two important publications have focused on this theme, viz. *Latin American Theories of Development and Underdevelopment* (1984) by C. Key ; and *Underdevelopment of Development : Essays in honour of Andre Gunder Frank* (1996), ed by S. C. Chew and R.A. Denemark. It is in the context of exclusion of the poor and the marginalised from access to resources, opportunities and power that demand for empowerment and participation as a conscious strategy of self-reliant development surfaced at the centre stage of genuine good governance.

The key to empowerment and participation of the poor and the marginalised lies in Decentralization which comprises the processes of deconcentration and

devolution ; the former in the techno-managerial sense and the latter in the sense of redistribution of political power. Decentralization is an effective instrument for relocating power and redefining power-equation in society. [For a discussion on conceptual and operational dimensions of deconcentration and devolution, see Cheema and Rondinelli (eds), *Decentralization and Development*, Sage, 1983]

Deconcentration emphasises functionality and is oriented towards securing operational effectiveness of public organizations. It is an administrative measure which creates field agencies of the Headquarters in order to serve the customers in a satisfactory way. By exercising power in respect of policies and priorities, the headquarters seeks to coordinate the functioning of the field agents. This is an ineffective method for serving the needs of the poor and the marginalised to their satisfaction.

Devolution, on the other hand, is the political method for power-sharing or power-equalisation in society. It enables the local authorities and local communities to exercise a voice and play a role in the society's power structure. The classic example of devolution is found in the functioning of the local self government institution enjoying own power and discretion to serve the needs of the local people. Decentralization as an element of Good Governance is recommended for empowering the poor and the marginalised in society. In India the provision for reservation of seats for the SC/ST/OBC people in Panchayati Raj institutions under 73rd Constitution Amendment and in Urban Local Bodies (municipalities and municipal corporations) under 74th Constitution Amendment, is meant for empowering the poor and the marginalised section of the population. Local governments are democratically elected and are accountable to the people, hence these institutions are considered the best agents for lending a voice to the local people, especially the poor and the marginalised.

But just the representation on the local councils through periodic election does not automatically put the poor and the marginalised in control over resources and decision-making process unless these people are assured of having involvement in decisions which produce the whole range of policies and programmes arising from "the other people's politics". There is always a critical difference between going through the empty ritual of participation and having the real power needed to affect the outcome of the process. Mere representation through democratic elections fails to achieve positive empowerment. This lacuna has been sought to be filled up by constituting *Gram Sabha*,

Gram Sansad, village development committee, ward committee, in India and the system of neighbourhood council in Britain in order to create more space for citizens' direct involvement in decision-making in the local political process. Whereas the market-based strategies in empowering "selectively" are elitist in thrust and exclude the poor and the marginalised sections, the local governance option and decentralised planning for development are based on the "citizenship" concept and promote social justice better.

The case of 'Dalits'

In discussing "Social Justice and Good Governance" in the Indian context it is necessary to discuss the case of the "Dalits". The Dalits in contemporary India bear the anguished burden of a long unbroken legacy of deep social degradation. The word "Dalit" literally means poor and socially oppressed person. But this expression has acquired a new cultural context to imply those who have been ground down by upper caste people in a deliberate and active way. The term has been used to refer to the former "untouchable" people, but it has recently been liberally extended to include other oppressed groups such as tribals, bonded labour, women and minorities and so on.

At the present moment, the aspiration of the Dalits is not only their economic emancipation and improvement in conventional quality of life indices, but also legal equality and social dignity within the traditional social order of India, which had denied them social justice and self-respect for centuries. These people legally belong to the Scheduled Caste. More than 80 per cent of SC people reside in rural areas, of whom nearly 50 per cent are agricultural labourers and 28 per cent are share-croppers and small peasants. About 80 per cent of SC people in urban areas are unskilled labourers in the unorganised service sector e.g. loaders, porters, cycle rickshaw pullers, sanitary workers and labourers in brick kiln and quarry. In terms of literacy, these people are significantly way behind the rest of the population. The existential reality of the Dalits demands conscious state intervention for poverty alleviation, rural development, wage employment scheme, food security, implementation of laws relating to minimum wages, and removal of social bondage.

There are many empirical studies which indicate that untouchability continues to be an important component of the experience of dalithood in contemporary India, especially the countryside, but this is a complex and dynamic situation of flux and transition. One can mention three important studies on this problem, namely, *Report of the National Commission for Schedule*

Castes and Scheduled Tribes (April 1990) ; I.P. Desai, *Untouchability in Rural Gujarat* (Bombay Popular Prakashan, 1976) ; and the elaborate door-to-door survey conducted by the Ambedkar Centenary Celebration Committee of Chittoor district of Andhra Pradesh, whose findings were published in an article "Untouchable Still", *Frontier*, 23(47), 6 July 1991.

The following important findings of these studies deserve special mention. The SC people did not have access to temples and places of public worship, sometimes also to tea stalls and hotels, in UP, Tamil Nadu, Kerala, Rajasthan and Karnataka. Discrimination against the SC people in respect of participation in social ceremonies, in public health centres and educational institutions was also noticed. These people were discriminated against in Gujarat in respect of wage payment, shop entry, barber services, postal delivery services. In addition to this exception, the Andhra Pradesh study showed that in many villages, the SC people were not allowed to walk through the streets with any footwear. [For details, see Harsh Mauder, "Dalit Status and Agenda for State Intervention", *The Administrator* (Journal of Lal Bahadur Shastri National Academy of Administration, Mussoorie), XLV, July 2002]. In urban India the condition of the SC people is not that horrible because of anonymity and occupational mobility ; caste identities are somewhat blurred. But untouchability continues to be practised widely in cities in the domestic sphere (marriage, inter-community dining, and social intercourse). As the eminent sociologist Professor M.N. Srinivas points out, when he takes off his shirt, he puts on his caste. The situation is most acute for those Dalits in cities still engaged in traditional occupation such as scavenging which is considered an "unclean" occupation. This is the experience in most Hindi speaking areas in north India.

A related problem is atrocities against Dalits, such as murder, grievous injuries, rape, arson, looting property of Dalits. As found by the National Commission for SC and ST (April 1990), this is very common in Bihar, Rajasthan, Madhya Pradesh, Andhra Pradesh and Tamil Nadu.

The strength of the institution of caste and consequent caste discrimination in Indian social tradition can be understood by noting the manner of caste permeation into egalitarian religious orders such as Christianity and Islam in the Indian context.

The social privileges enjoyed by Muslim scavengers are no different from those of their Hindu counterparts (except participation in Namaaz). They do not escape the social atrocities also. The same is true of the Pulaya Christians in Karala (formerly untouchable Hindus converted to Christianity), who are discriminated even by the Syrian Christians enjoying high social and economic status.

Currently the Dalits refuse to be known as 'Harijan', as this description introduced by Gandhiji appears to carry a flavour of patronizing condescension ; instead, the term 'Scheduled Caste' used in the Constitution is preferred by them. Since the 1970s, however, the term "dalit" has become popular, with its connotations of anger, assertion and pride. As Zelliôt points out, "there is in the word [Dalit] itself an inherent denial of pollution, *karma* and justified caste heirarchy" [E. Zelliôt, "Dalit : New Cultural Context", in *Contributions to Asian and African Studies* (1978)]. Very recently, the ambit of the term "Dalit" has been widened to embrace other oppressed categories, possibly as part of a growing consciousness to build a larger alliance of the exploited social groups.

Organised political assertion by the "Dalits" as a separate power group is a comparatively recent phenomenon in Indian politics, symbolised most dramatically by the rise of Bahujan Samaaj Party (BSP) to political power and influence in North Indian states. The BSP wants to keep its distance from the major national parties so far as the real economic welfare and pride of the Dalits are concerned. BSP symbolises the new-found militant and aggressive caste consciousness. But it is yet to be seen how far this Dalit political assertion will, in practice, articulate and address the problem of the "lower depths" among the Dalits, such as Dalit women, landless labourers, bonded labourers, unorganised unskilled workers in urban slums and the traditional "unclean" occupations.

State Intervention for achieving Social Justice

In order to pursue the agenda of social justice, the State in India has intervened in a variety of ways since independence. These include (a) an array of Constitutional and legal provisions, (b) positive discrimination in educational institutions, government employment as well as representation in representative bodies through reservations, (c) budgetary support through the special component plan (SCP) approach, (d) special programme of health and education, (e) priority to SCs in rural developement, slum improvement and anti-poverty programmes ; and (f) technological changes such as conversion of dry latrines to flush latrines for releasing manpower engaged in carrying head-load of human excreta.

These measures have succeeded to some extent in restoring the balance of social, economic and political power in favour of the poor, the deprived and the marginalised. Yet social justice has not been satisfactorily realised as in India the poverty line substantially overlap with the social pollution line. The Dalits continue to suffer from caste prejudice, physical atrocities and economic deprivation.

There are some existing Constitutional and legal provisions aiming at removal of disabilities and discrimination against the SC-s. These are : prohibition of restriction on access to public places [Art 15(2)]; reservation of posts in public service in favour of backward classes not adequately by represented in the services under the State [Art 16(4)] ; abolition of untouchability [Art 17] and Untouchability Offences Act (1955) ; restriction on traffic in human beings and forced labour [Art 23] ; protection of right to admission to educational institutions [Art 29(2)] ; special care for promotion of educational and economic interest of SCs [Art 46] ; reservation of seats and special representation in Parliament and state legislatures [Art 334] ; reservation in public services [Art 335] ; appointment of a Special Officer for SCs and STs [Art 338] ; SC and ST (Prevention of Atrocities) Act (1889).

In addition to these special measures, there are other protective measures of special relevance to the disadvantaged and vulnerable sections like SCs and STs. For example, Bonded Labour System (Abolition) Act (1976) ; Minimum Wages Act, 1984 ; Child Labour (Prohibition and Regulation) Act (1986). But the implementation of these legal measures has been dismal. India's general experience is that social, economic, administrative and judicial arrangements are heavily weighted against the poor with regard to the response of the law and order machinery to atrocities against the Dalits. Complaints of delay in reporting atrocities, refusal to register cases, delayed arrival of police on the scene, half-hearted police investigation, faulty charge-sheets and failure to cite the relevant legal provisions, police brutality in dealing with accused persons of the weaker sections and soft treatment of accused persons belonging to influential sections are all very common. The poor quality of prosecution, protracted dragging and procedural delays in court cases, high percentage of acquittals are some of the maladies recorded in reports of the National Commission. The system of criminal justice administration in India is indeed in a pitiable condition.

In several states, special police stations for SCs and STs have been set up, but their unweildy jurisdiction and wrongly motivated staff have caused further hardship to the weaker and vulnerable sections. The situation is further complicated when in a large number of cases involving the poor and marginalised people, the plaintiff happens to be the State. The Dalits have little hope of receiving justice in such cases.

In enforcing the legal provisions for achieving social justice, an important measure is the Free Legal Aid programme. But legal aid for the poor is, in

practice, implemented in token form with low-paid, briefless, demotivated lawyers. In order to make it adequate and effective, legal aid should be mandatorily arranged by the State in every case involving the Dalits. Secondly, the help of the locally active voluntary organizations should be taken by the State to provide valuable legal and moral support to the Dalit victims. It is the socially committed individual or politically aware organization that can take up effective legal action against the mighty State or powerful individual to protect the interests of the hapless Dalits by taking recourse to Public Interest Litigation.

Strong protective laws for defending the interests of the poor, marginalised, deprived, disadvantaged sections are necessary but not sufficient to ensure social justice for this section. There is no substitute for mass legal literacy and mobilization for legal action.

A trend is noticed in the widespread tendency to lapse Special Component Plan (SCP) meant for the SCs. Moreover, sometimes programmes not even remotely related with the welfare of SCs are included under SCP, thus resulting in diversion of funds and subversion of the contents of SCP. It is therefore obvious that the SCP strategy needs fundamental restructuring. The SCP component of the plan budget, in proportion to the SC population in a state, should be separated from the general budget and should be delegated to the district in proportion to SC population. The highest priority needs to be accorded to satisfy the basic needs of the SC people. Their access to water, primary education, health facility, approach roads, drainage facility, electricity and so on should be ensured. The untouchable section among the Dalits must be liberated from the traditionally "unclean" occupations by suitable technological innovations and politico-administrative measures.

Social justice through Good Governance can be a meaningful and beneficial concept to the poor and the marginalised people only if the suitable strategies are adopted for their liberation from social indignity and economic exploitation.

Questions

1. Discuss the concept of 'marginality trap'.
2. What are the recommendations of alternative development paradigms? Discuss the ways of empowerment of the poor?
3. Who are the Dalits? What is their present status in the Indian society?
4. Mention the ways in which the state in India intervenes for achieving Social Justice for the Dalits.

Unit-2 People-centric Public Management : People's Participation in Governance.

The concept of people's participation is an important component of the concept of Good Governance. It has become the most saleable item in the literature of development management. However, the concept of people's participation is perplexing because of the three issues involved viz.

- (a) In *which* process are people to participate in governance?
- (b) *How* are people to participate in governance?
- (c) *Why* are people to participate in governance?

Theoretically the answer is that people are to participate in managing the process of planning and implementation of development projects, they are to participate through elected grassroots bodies and through NGOs and they are to participate for protecting their (i.e. public) interests. But functionally it is very difficult to satisfy people whose welfare is designed and managed by development bureaucracy. In actual practice, academics, researchers, funding agencies and non-government voluntary agencies are all busy in trading the concept of participation in different names such as participatory development management, people's participation in governance, people's initiative in development programmes and so on. Most often, in actual practice in India, people's participation in governance has virtually been an illusion. Government and voluntary organizations have not been successful in evolving a precise method of involving the people. As a result, high expectation lose their momentum sooner or later. Essentially, people's participation as a pre-condition for the success of development programmes should mean an in-built mechanism to involve people in the conceptualization, planning, implementation, monitoring, and management of human as well as financial resources. Understood in this sense, people's participation may increase the efficacy and acceptance of the development programmes, on the one hand, and reduce the operational and administrative costs, on the other.

Some experts in community development consider that meaningful participation should imply achieving power to influence the decisions that affects one's livelihood. Effective power to influence decision-making is *sine qua non* of participation and lack of it not only causes but also perpetuates the ill-being of the poor and the deprived. That means, people's participation, power and well-being are interlinked.

So far as the Indian experience is concerned, policies and programmes meant for development of the poor have genuinely not been concerned with sharing power. Voluntary organizations are generally political and administrative formations for sharing powers of decision-making and funds. Consequently, the impact of voluntary organizations has, in a very large number of cases, been found to be rendering pseudo effects. The formal and indirect political decision-making processes in respect of development programmes are seen to have failed to allocate adequate resources for the poor ; in some cases, the poor have been excluded from the development process. In order to ensure people's participation, it is important to reverse the trend towards increased dependence and marginalisation of the masses. This point has been underlined by A.Pearse and M.Steifel in their quest for a new approach to people's participation. [Pearse & Steifel, "Inquiry into Participation : A Research Approach", (UN Research Institute for Social Development, Geneva), quoted in P.K.Bajpai, 'People's Participation in Development : A Critical Analysis', *Indian Journal of Public Administration*, Oct-Dec. 1998].

People's participation in development management is generally made elusive owing to two factors : first, the government, funding agencies or traders of development are not always honest enough to choose the really capable NGOs ; and secondly, the people are made apathetic to participation by the power-hungry political parties ; sometimes the people are resisted by devious means to join the moves seeking their participation.

People's Participation in Development Programme in India

Since the begining of the process of planned development in India in the early 1950s, people's participation has been mostly experimented in the field of rural development. A number of programmes having the policy focus on people's participation may be discussed here.

Community Development

The Community Development Programme was ushered in 1952 with much fanfare. For the first time in Indian administration a new level of public administration called 'Block' was created below the sub-division level under the newly-created public functionary called Block Development Officer (BDO). The BDO was designed as the generalist development officer leading the block-level development team comprising a number of extension officers for different development functions. The idea was that the BDO would function as the 'leader'

of the development team working at the VILLAGE level to help the rural people in undertaking development projects framed by the extension officers following the guidelines of the Development Department of the state government. It was a very ambitious programme of social reconstruction and rural development by rejuvenating agriculture and allied development activities with people's participation.

Within a year the Community Development Programme was supplemented by National Extension Service through the appointment of Extension Officers for agriculture, small and local irrigation, cottage industries, animal husbandry and so on. The E.O.s were expected to play the role of development experts functioning under the coordinating supervision and administrative leadership of the BDO.

This ambitious administrative innovation failed very soon. The reasons were over-bureaucratisation and the policy of imposing development initiative and policy from the above, and treating the people as the beneficiaries only. The rural people were not supposed to have any kind of a role in formulating and implementing rural development projects. The local context was virtually lacking in this development programmes. There was hardly any scope for local initiative in planning, implementation and monitoring the programmes. Increase in agricultural production did not get reflected properly in improvement in social and economic conditions of the weaker sections of society like the landless, marginal and small farmers, *harijans* and *girijans*. The benefits of developments were almost entirely reaped by the rural rich and upper-caste elite groups.

Panchayati Raj

Following the recommendation of the Balwantrai Mehta Committee (1957), a three-tier *Panchayat-i-Raj* (rule of panchayats) was introduced gradually throughout the country from 1959 onwards under the stewardship of the panchayat bodies elected by the people for ensuring people's cooperation and people's participation in planning, implementation and monitoring community development programmes.

The lowest body of the three-tier PR machinery was *Gram* (village) *Panchayat*; the body at the middle-level (block) was *Panchayat Samiti*. (popularly known as Block Panchayat): and the upper-tier body at the district level was *Zilla Parishad*. In some states there was four-tier PR and in some others there was two-tier PR. The BDO was made the principal executive-cum-administrative officer of the block-level panchayat and Additional District

Magistrate was associated with the district-level PR machinery as its executive officer. A large administrative paraphernalia was developed and a system of elaborate elections and illustrations were introduced in due course.

At a later stage the PR system received constitutional recognition under the 73rd Constitution Amendment in 1992, under which special representation of women (one-third of the total members elected) and of Scheduled Castes, Scheduled Tribes and Other Backward Classes (OBC) has been ensured. A new institution called *Gram Sabha*, associating all the adult villagers, has been compulsorily provided.

The 74th Constitution Amendment (1992) provided mandatory elections of municipal council and constitution of Ward Committees for closer association of the people in development planning in urban areas. Similar to the PR system, special representation of women, SC, ST and OBC people on elected municipal councils has been ensured.

But actual experience shows that in this respect also *de facto* real powers mostly remain in the hands of power-brokers, who have aptly utilised their political and social skills to keep their hold on power in local government and influence over local-level development process through their spouses and party loyalists. The elections at local government level are held on party political lines and the system invariably produces its natural consequences of partisan parochialism, electoral violence and group-based social conflicts. The society is divided on caste and party political lines and communal grounds, preventing useful popular participation in development planning and implementation of development projects. In Indian experience "empowerment of the people" in reality is a visionary expression and has little substance in practice.

Cooperatives

The cooperative movement was born in India in the first decade of the 20th century but even after hundred years of its functioning it cannot be said to be successful. Cooperatives in different socio-economic sectors were intended to ensure people's participation in the development process. It was seen as people's initiative for self-help. But, barring a few exceptions in Maharashtra and Gujarat, it has been largely a failure in the rest of India. Even where it was not been a failure as such, it has been reduced to a government-controlled institutional arrangement. In many cases cooperatives are promoted by people pursuing their narrow selfish interests in order to corner government funds and subsidy. In most cases, share-capital is deposited by

the promoter in fake names without even taking the consent of the person involved. There are cases of weavers' cooperatives in Uttar Pradesh and adjoining states practising such fraud; in West Bengal, dishonest practices in cooperative banks and cooperative credit societies are not uncommon.

Another dimension of cooperative movement in India has been their politicisation. Many state governments have been found guilty of postponing elections in cooperatives for years for partisan political interest.

Voluntary Organizations

In a democracy voluntary action is considered as people's response to welfare, but most of the voluntary organizations in India have an elitist bias in order to secure state power and resources. They do not necessarily signify the people's initiative for development and welfare. Since the majority of the voluntary organizations do not have their own resources and cannot mobilise and involve people in large numbers, they prefer government funding for their existence and survival. In their management style, they share a bureaucratic culture and impose their tailor-made programmes upon the people without involving the people in any active and constructive way. Some voluntary organisations, of course, do quite satisfactory work of rural reconstruction but only in their role as the facilitators of government programmes implementing the development projects of the central/state government, following the government's guidelines and using government funds.

Government Plans for Employment Generation

Avoiding the pitfalls and shortcomings of government's centralised planning and bureaucratic implementation, the Government of India successively launched Jawahar Rojgar Yojana (1998) and National Rural Employment Guarantee Scheme (2005). Both of them are quite innovative schemes to enable the people to plan their needs and ensure community asset-building in rural areas by involving the people at implementation of development schemes. Huge funds have been invested in these schemes, but evaluation made by independent researchers have reported gross misappropriation of funds leading to corruption at the grassroots level. The needs of the people have not been properly met, nor has the goal of durable asset-building been fulfilled. Employment generation has been dismal mainly because of fake muster rolls. The section so far mostly benefited is the rural touts and power-brokers.

Evaluation

In a democratic system of governance the role of the government and NGOs is to promote people's participation rather than to direct them. But, in Indian experience, both these agencies of development are seen to function in such way as to keep the people away from playing any active part in policy formulation and implementation of development schemes. Most of the steps taken for promoting people's participation, including the Constitutional device of *Gram Sabha* (and in West Bengal, in addition, *Gram Sansad*) have become counter productive. All the development efforts have virtually promoted deprivation of the masses in general. The benefits of development plans have mostly gone to certain organised elite sections of rural and urban population, bypassing the marginal and landless farmers and the village artisans.

The percolation theory of development has failed as the growing number of middle-men have only cornered the fruits of development. Prime Minister Rajiv Gandhi lamented in the mid-1980s that 15p. out of every Rs 1/- spent on development ultimately reaches the targeted group. There has been a signal failure to develop critical awareness among the people about the broad issues affecting their lives and relationships. Moreover, there has hardly been any social audit to assess the performance of NGOs who receive substantial grants from the government and from abroad. Genuine public spirit is lacking in the functioning of most NGOs who manage their show through media publicity and their not-so-transparent accounting systems. People, especially the beneficiaries, hardly have any opportunity to have any share in setting the goals of development schemes and their implementation. Sometimes, development programmes are not relevant in local context and are not flexible enough to accommodate necessary changes on the basis of people's needs. As the nature of voluntary organizations changes from local to cosmopolitan and from voluntary to specialist organizations, they virtually lose grip over the real issues confronting the people. They hardly have any practical idea about the attitudes, needs, values, aspirations and group dynamics of rural communities. The net result is total absence of people's empowerment through real participation.

It was in the Sixth Five Year Plan that a specific policy decision was taken to ensure a partnership of the government with voluntary organizations. Nothing very substantial and beneficial to people has been achieved in the subsequent plan periods. The absolute number of people under the BPL has increased in India in recent period. The benefits of the Green Revolution of 1960s-70s have not been equitably shared by the people at large.

Remedies

It has been found that owing to ignorance on the part of the people, substantial poverty and absence of distributive justice, especially since the adoption of Liberalization-Privatization-Globalization policy in the name of Good Governance, people's apathy to participation has been increasing, because in the hard realities of life they have learnt how powerless they are in the governance process. In many cases, the poor, the marginalised and the vulnerable sections of the society are being ruthlessly steamrolled by the Market and Inflation.

In the context of this experience certain remedies may be tentatively suggested. First, the community attitudes and needs are to be honestly and transparently assessed. The growing tendency of the policy-makers to ignore people's needs, attitudes and values has to be resisted.

Secondly, steps are to be taken to identify the pro-people groups, organizations, social institutions, opinion leaders in the community. Special attention is to be paid to identify the resources and the socio-economic problems confronting the people in general.

Thirdly, realistic community-oriented development plans are to be framed in consultation with the people. Their reservation, priorities and suggestions are to be accommodated in the action plans, and people are to be motivated to take active part in the process of their own development.

Fourthly, resources—internal as well as external—are to be mobilised. People need to be persuaded and enlightened to realise that the ultimate responsibility of supporting the development plans lies with them only and they have to work collectively with a cooperative bent of mind to mobilise material and human resources for their own community benefits.

Fifthly, suitable training facilities, whenever needed, are to be provided to the people's voluntary groups and other development agencies. The government and its different agencies must take the necessary initiative in this respect.

Sixthly, occasional appraisal of development plans and their implementation has to be done in cooperation with experts in the respective fields of development work. Then the appraisal reports are to be mandatorily discussed openly and freely with the people in the best ways available in the particular situation.

Seventhly, monitoring must be an in-built feature of development programmes in order to avoid misunderstanding and dislocation in development efforts of the government and of the people.

Lastly, a well-conceived social education programme is to be undertaken, with the help of the political parties and voluntary groups, in order to "empower" the people in the real sense of the term. "People's empowerment" remains a mere slogan if decision-making power is not shared with the people. Panchayati Raj institutions may be suitably reformed to take a lead in this matter and people's Right to Information must be respected for this purpose. Unless people are effectively empowered, no amount of public spending or free enterprise of the corporate sector will be helpful to assure socio-economic development without serious jerks and jolts of socio-political tensions. The essential need is a wide consensus shared by the government and the governed that conscientisation and empowerment of the people and their active participation in development process, on the one hand, and asserting the civic and human rights of the people, on the other, would be a guarantee of mature democracy and happy society. People's participation, when well-institutionalised and properly ensured, would act as the proper and necessary democratic antidote to anti-people socio-economic development taking place under the leadership of the bureaucracy and the corporate sector.

Questions

1. Discuss the scenario of people's participation in development programmes in India.
2. Explain the three-tier Panchayat-i-Raj machinery.
3. Mention the different government plans for employment generation.
4. What are the different remedial steps suggested for better people-centric public management ?

Unit-3 **Decentralised Development Planning and Good Governance**

People's participation at various stages of planning is considered axiomatic in contemporary thinking on planning for development. It has finally received Constitutional recognition in 1992 with the simultaneous enactment of 73rd and 74th Amendments to India's Constitution. The concept of decentralised district planning has emerged in the context of the need for people's participation in development management process as part of the agenda of Good Governance.

The concept of decentralised district planning was introduced in public policy discussions through the Working Group on District Planning, chaired by Shri C. H. Hanumantha Rao (May 1984), and the Committee on Reviewing Administrative Arrangements for Rural Development (CAARD), chaired by Shri G. V. K. Rao (December 1985). It was at this time that theoretical interest in rural development arose considerably. David Korten talked of people-centred development and put forward a framework. [David C. Korten, "People-Centred Development : Toward a Framework," in Korten and Rudiklaus(eds.), *People-Centred Development : Contribution Toward Theory and Planning* : Connecticut, 1984]. The principal objective of this approach to planning and development is to locate people at the centre of power so that they may become the basic engine of the development process, and not merely its beneficiaries. People's participation is considered as a means of reinterpretation and reinforcement of democratic ethics. It makes possible formulation of pro-people development plans and their proper implementation.

India's efforts for planned development were launched with the First Five-Year Plan in 1952. The process of planned development was influenced from the very beginning by the Soviet-type bureaucratic central planning. Over the years this kind of plan effort proved to be highly unsatisfactory. The factors responsible were lack of cohesion among the multiple actors in the planning process, and the constraints of social, political and administrative factors involved. Through a series of political and socio-economic failures in achieving the targets of planned development, the policy-planners and the political leadership learnt the hard way of changing the planning strategy from a highly centralised system to a decentralised system with the focus on district-level planning. Three distinct levels of Indian thinking on planning can be identified,

viz. first, the basic orientation towards "national" development (1952 to 1969); second, a new orientation towards decentralised planning, ultimately setting down to district planning (1970-90); third, further decentralising the planning process (formulation as well as implementation of plan programmes) up to the village level, and treating the *Gram Sabha/Gram Sansad* in the panchayat system and Ward Committee in the municipal system as the units of micro-planning with active participation of the people (1991 onwards). The highest legal support to this new system of planning and development came in the 73rd and 74th Amendments to the Constitution (1992) and their effective enforcement in 1994.

The planning machinery in India still involves a protracted decision-making process of discussions, negotiations and interactions at various levels. The Five Year Plan is formulated at the central level within the framework of a national perspective prepared under the control and supervision of the Union government. The Draft Plan is formally approved by the Planning Commission with the Prime Minister as the Chairman. There is the token federal institution called National Development Council, with the State Chief Ministers as the members and the Prime Minister as the Chairman. The Union side is represented by the Deputy Chairman of the Planning Commission and a few important union ministers. The NDC discusses the Draft Plan but its decision is merely a constitutional and political formality.

The States and Union Territories formulate their own plans in consultation with the Planning Commission. The State Annual Plan allocation is to be decided by the Planning Commission.

There are at present the District Planning Committees in many states and the Panchayati Raj Institutions are also engaged in formulating local plans at their respective levels. The institutional innovation of the District Planning Committee for formulating development plans for the district has created some additional responsibilities for the policy-makers. The 73rd and 74th Constitution Amendments (1992) have accorded Constitutional recognition to the local government institutions in rural and urban areas and have provided for people's empowerment for participating in the formulation and implementation of local area development plans.

The district planning is an exercise in area planning below the state level and the district is identified as the unit of coordinating the 'top-down' and 'bottom-up' approaches to plan administration in India. Theoretically, at the

district level, the micro plans are accommodated in the national plan and *vice versa*. Thus decentralised planning is a two-way process starting from the grassroots and simultaneously reaching the national level so far as the process of planned development is concerned. In fact, district planning is designed as complementary, not antithetic, to national planning. The national plan and district plan are mutually supportive of each other within the broader national-level framework of planning and development. The local-level micro plans are to be formulated and implemented within the broad outlines of the national plan formulated by the Planning Commission and endorsed by the National Development Council. When understood in the context of administrative reality prevailing in India, district planning, however, is not the same thing as decentralised planning.

Decentralised Planning

Decentralized planning stands for a broader conceptual rubric within which district planning should have a central position. Since the coming into effect of the 73rd and 74th Constitution Amendments, the scheme of decentralised planning process is supposed to be the constitutional pattern.

Decentralised planning is currently carried out in India at four distinct levels in a district, viz.

- a) *Gram Sabha / Gram Sansad* level at the grassroots ;
- b) *Gram Panchayat* level at the union of villages ;
- c) Block level in rural areas / Municipality level in urban areas ;
- d) District level.

In law, each level of local government institutions are provided with required autonomy and authority in its own domain of decision-making. In theory, they are supposed to be the locus of decentralised planning. But the planning process, in real life, can never be depoliticised because planning means choosing priorities in development programmes and it involves allocation of public funds. The conflict of interests among the different actors like functionaries, agencies, social groups and political parties become inevitable. There is a tendency on the part of the Union government to 'impose' its choices and priorities on the states who always clamour for more powers and resources keeping their own regional priorities.

Within the states, the politics of planning is seen to be manifested in resource-competition among the different regions and districts. At sub-state

level, local government institutions (PRIs, municipalities, and municipal corporations) compete with higher level government departments for powers and resources in development planning. The grassroots planning at rural and urban areas has become constitutionally legitimised under the Constitutional Amendments of 1992. This situation offers opportunities for the people to raise their voice at micro-level planning exercise. This opportunity, however laudable theoretically, for realising an important criterion of Good Governance, may create discordant, cacophonous and group selfishness in decision-making in planning and economic development. [see T. J. Byres (ed), *The State and Development Planning in India*, OUP, 1994; Deepak Nayyar, 'Economic Development and Political Democracy: Interaction of Economics and Politics in Independent India', *Economic & Political Weekly*, 33(49), 5-11 December 1998.]

The ideology of Good Governance refers to the necessity of decentralization and people's participation in planning and economic development. This is required not merely as an instrument of administrative efficiency but mainly as a preferred political objective for improving the health of democratic governance. People's participation is advocated mainly for reducing differences in power-holding, hence the exercise may become the focus of power struggle at the local level. The structure of decision-making in a democratic polity is shaped by the socio-political milieu which supplies the values, preferences and contents of democratic governance. Planning for development always has a political slant, because it is impossible to use this tool of development in a strictly value-neutral way. Decentralization itself is a political choice and decision-making in decentralised planning, therefore, becomes a political issue.

Regional planning for development could be used as a tool for creating a better environment for human development. Multi-level planning is an integrated area-based approach eminently suited to the decentralization of the planning process. [see R. P. Misra & K. V. Sundaram, *Multi-level Planning for Integrated Rural Development in India*, New Delhi, 1980]. India's experience so far shows that the role of panchayati raj and municipal bodies in the planning process is mainly confined to suggesting schemes and proposals for inclusion in the district plan and popular participation marginally extends to plan implementation. [see B. N. Yugandhar & A. Mukherjee (eds), *Readings in Decentralized Planning*, New Delhi, 1991].

The introduction of decentralised planning in West Bengal in the 1990s has brought about a change in rural power-structure. There is a sort of linkages between political mobilization, functioning of the PRIs and people's participation in the context

of devolution of decision-making power and the changing role of the district administration. However, there are, side by side, some serious drawbacks and lapses in India's experiment with decentralization in planning and people's empowerment. Economic constraints and social pressures affect implementation of redistributive policies and operational process of decentralised planning. It is of utmost importance to adequately plan the process and stage of plan implementation in order to reduce the gap between objectives and achievements. The financial autonomy of the elected local bodies in rural and urban areas is needed along with adequate devolution of funds to the district. [see K. N. Kabra, *Development Planning in India*, New Delhi, Sage, 1997 ; Neil Webster, *Panchayati Raj and Decentralization of Development Planning in West Bengal* (1992) ; Turner and Hulme, *Governance, Administration and Development* (1997).]

Case for Decentralised Planning

After quarter of a century of centralised, bureaucratic-technocratic, 'top-down' approach to planning, India began to learn the lesson in a hard way that a new strategy in planning is required to promote the rate of growth and development in production, employment and income. The planning process needs to be decentralized. Very soon in the late 1980s India also learnt that in the changed global economic system it would be necessary for the State to take help of the larger civil society, the market, NGOs and especially the people at the grassroots to boost production, increase income and take advantage of the people's initiative. Good Governance could be achieved by decentralised, participative planning. It was natural that there was some resistance to this idea from the huge, bureaucratic-technocratic planning machinery built over thirty years.

Formulation of a good project planning depends largely on collection of complete data, investigation of alternatives, analysis of costs and benefits, and the assessment of possible impact on the people. This would require complete knowledge of the situation and perspectives. Decentralised planning would be of much help in this respect.

Moreover, contradictions in plan formulation may be avoided through planning at regional and district levels. Planning from below helps the planners to decide on the priorities in the light of specific requirements of a locality and availability of natural and human resources.

Further, devolution of decision-making powers in planning would create grassroots level of plan thinking and help identifying specifically the bottlenecks

in the development process. It also helps to adopt suitable and effective remedial measures through institutional arrangements for removing such bottlenecks. It would be easy to identify the target-groups, and examine their socio-economic constraints at the local, grassroots level. Similarly, decentralised planning would require survey of local resources and utilise locally available skill and innovative practices relevant for local plan development.

Decentralised planning would also reduce the cost involved in the administrative arrangements. It would be helpful in plugging various leakages in plan implementation by strengthening the administrative organizations and management. [see *Report of the Working Group on District Planning, Govt. of India, 1984.*]

The concept of district planning is akin to the concept of integrated area planning. Apart from political commitment, the essential prerequisites for decentralised district planning include defining the scope and content of a district plan, delegation of administrative and financial powers, evolution of new patterns of administrative and financial powers as well as new patterns of administrative behaviour, reorientation of attitudes and relationships, introduction of participatory structures and umbrella mechanisms and continuous training and re-training of personnel.

The PRIs and other local government institutions should play crucial role in the district planning process. Ultimately, district planning would have to be the job of these democratically elected bodies. These bodies should be actively involved and enjoy adequate autonomy in local decision-making. The institutional framework for district planning should be a social instrument of decision-making which would be a happy blend of local autonomy, administrative capability and planning expertise.

The idea of decentralised district planning in the Indian context visualizes the District Collector as the chief coordinator, both horizontally and vertically, in the planning and implementation tasks. The ideal arrangement would be to consider the departmental functionaries as on deputation from their respective departments and posted to the District Planning bodies. This administrative arrangement would make them **responsible** for implementation of their respective programmes at the district level and **accountable** for their performance. If the benefits of decentralised District Planning process are to be realized, such a major structural reorganization of district administration would be necessary.

In addition to this structural change, the procedure for administrative and technical sanctions needs to be so streamlined that district-level schemes would not have to be referred to the state government headquarters.

Within the framework of multi-level planning, the functions of the District

Planning bodies should include

- (i) crystallisation of local needs and objectives ;
- (ii) taking stock of the natural and human endowments ;
- (iii) mapping of amenities ;
- (iv) formulation of district plans ;
- (v) formulation of policies, programmes and priorities ;
- (vi) coordination in implementation process ;
- (vii) monitoring and reviewing of the implementation of district plans and programmes.

It is desirable that the District Plan should consist of integration of development activities in primary, secondary, tertiary and infrastructure sectors so as to deal with the problem of unemployment and poverty. The plan must essentially provide for expansion and diversification of the economy in order to reduce poverty and increase employment by providing gainful employment opportunities to small and marginal farmers, agricultural labourers and artisans.

The district planners must have a total and comprehensive perspective of the district and a district profile would only emerge from such a comprehensive perception of the planners of the needs and potentialities of the district. The working out of the appropriate strategies in the context of the district and its sub-regions constitutes the most important step. It is the specific responsibility of district planning to fill up the implementation gap and plug the various leakages in the implementation process.

In the light of the objectives set out for district planning, it would be realistic to think in terms of (a) Perspective plan (10-15 years), (b) Five-year Plan, and (c) Annual plan.

Block-level planning is necessary to ensure the development of pockets of backwardness in the district and to bring about a more balanced development within the district.

In order to dovetail the district plan with the State plan the state may take a decision that the District Plan Component of the State Plan would be kept intact whatever the allocations received after discussions with the Planning Commission.

People's Participation

The concept of 'people's planning' has gained considerable currency in the planning process and is considered an important aspect of the participatory approach to development. To make decentralised planning effective and fruitful for Good Governance, meaningful people's participation is a must at every stage of planning and implementation, including the stages of evaluation, monitoring and review. People's participation would be very useful in collecting data and conducting surveys.

At the stage of plan formulation, people's participation would require (a) interaction with people in their village setting and with their representative organization, (b) purposeful consultation with beneficiary groups, and (c) consultation with different categories of "people" such as landless labour, tribals, scheduled castes, artisans. Consultation with the 'people' would be essential while determining priorities of development schemes. The interests and views of the people should be taken into account by the planners while assessing the relative merits of alternative strategies of development. Good governance would be substantially achieved once 'the people' are seriously consulted in choosing development programmes, adopting strategies of implementation and assessing the impact of plan projects. Certain aspects of decision-making, particularly those relating to locations of various community schemes like supply of drinking water, school construction, building feeder roads, health centres, entertainment facilities in villages should be given special attention.

Local people can be encouraged to participate in the implementation aspects of a project by (i) making contribution of resources, (ii) assisting administration and coordination efforts, and (iii) enlisting themselves in programme activities for possible benefits. People's involvement may be secured with great advantage in the running, maintenance and management of various completed projects by constituting suitable organizations of the people like users' committees etc. Another aspect of involving local people is to associate with the planning process the locally available expertise in engineering, medical service and education sphere. As the scope of district planning would gradually enlarge, so will the scope of people's participation.

In development schemes targetting the tribal and scheduled caste people such as the minimum needs programme, special SC-ST compotent of area development, the state government should strive to achieve some degree of people's participation by involving the target groups in the decision-making as well as the implementation process. Public involvement would help identifying the beneficiaries and monitoring progress in implementation.

However, so far as the annual plan is concerned, the nature of public participation in decentralised development will be confined to district planning bodies.

Questions

1. Discuss when and how the concept of decentralised district planning was introduced in India.
2. Explain the pattern of decentralised planning prevalent in India.
3. Why is decentralised planning introduced in India ? Examine its effectiveness.

Unit-4 Gender-targeted Administration for Good Governance

Introduction

Women in India have been victims of exploitation and deprivation in all societies in all ages. Since the days of Sita in the *Ramayan* and Draupadi in the *Mahabharat* till the modern time, women have been subjected to social discrimination and denied of the rights of their own, even if they are well-conscious of their place in society and their rights. Harassment and humiliation of this weaker section on consideration of gender militates against the theory and spirit of Good Governance ideology.

It is found from global experience that mere enfranchisement of women is no guarantee for women empowerment. In many countries women have been given the right to vote, and in India today women enjoy the constitutional right to have special reservation for representation on the elected councils of local government. But their own decision and discretion in facing the problems of life have not gained respectable recognition of the society. This shows that their so-called empowerment has not yet been adequate and satisfactory.

Position of Indian Women

The Global Gender Gap Report, 2006, based on a survey in 115 countries, reveals that the Indian women, in terms of participation in politics, occupy the 20th position, and only 8% of enfranchised women are members of the Lok Sabha and only 3% occupy ministerial berths. According to the UNICEF report (2008), in India about seven thousand females are *not born* everyday in comparison to the national birth rate. Female foeticide is a very critical issue for India. The sex ratio is sharply declining in the so-called developed states like Punjab, Haryana, Gujarat, and partly in Maharashtra. This issue does not concern women alone, it concerns society as a whole. The culture of preferring a son to a daughter is very strong in India. The nature of India's development process and the huge boost in blind consumerism are also responsible for increasing dowry demands. It is, so to say, a socially sanctioned crime. Female foeticide is a black shadow which accompanies increased dowry demands.

The legislation to prevent female foeticide has proved to be a failure. Thanks to social custom and perverse religious belief, women are simultaneously responsible with their male members of family for this heinous social crime. The United Nations Fund for Population Activities 2005 has revealed that 70 per cent graduate women in India remain unemployed and 90 per cent of the total marginal labourers are women. The practice of unequal pay for male and female wage earners has not been fully discontinued inspite of egalitarian ideology and legislation. Women in many countries do not enjoy their power to decide issues like their marriage, pregnancy, abortion and employment. Thus, on many grounds, the ideology of Good Governance demands gender-targeted administration and realization of the goal of women empowerment.

Because of women's movements and women's own struggles in recent time, India has certain laws which could help women access justice, although there are many loopholes and lacunae in the laws. Legislations on Dowry Prohibition, Prevention of Domestic Violence against Women, and Prevention of Sexual Harassment of Women at Work-places are important landmarks in providing safety to Indian women. But the point is that a law cannot keep women safe, rather it is society and social approaches which can keep them safe and make them feel safe. Very often there is no political will to take action against criminals offending women's physical safety and moral dignity.

The much-hyped National Rural Employment Guarantee Act (NREGA) provides opportunities to women. And currently on an average 40 per cent of the workdays are taken by women, but the nature of the manual work to be done is too hard (sometimes cruel) for malnourished rural womenfolk in India. It looks like slave labour.

So far as the demand for reserving one-thirds of seats in Parliament and State legislatures for women is concerned, the successive Union Governments seem to have paid only lip-service to it; they have not taken any serious move to get the necessary bill passed by Parliament. For most political parties in India, women's issues are on the margins of their agenda, because although women in India agitate for their rights, they have not yet developed themselves into a strong political constituency.

Women Empowerment

The buzz word of 'empowerment' means legal-constitutional capacity to influence decision-making and exercise of power. The 73rd & 74th Constitution

Amendments (1992), with their provision for one-third seats reservation for women in rural and urban local bodies, have enabled women to participate in and contribute to effective governance at the local level. The Government of India has launched a number of women-centred development programmes. They all point to the fact that the initiatives and drive of women for women have shown some success in improvement and sustainable livelihood of women and society in general.

The Government initiative has been primarily by way of promoting primary health, child welfare, vocational training, working-women hostels, benefits under TRYSEM, IRDP, DWCRA, DWCUA etc. Gradually in the 1980s and the 1990s the programmes have addressed the need of women empowerment to participate in decision-making for the socio-economic development by way of easy access to health and educational inputs, access to credit and micro-enterprise, and self-help groups. The Swarn Jayanti Swarojgar Yojana (SJSRY) in urban areas has a special programme of Development of Women and Children in Urban Areas (DWCUA), and thrift and credit societies target the poor women groups for self-employment and income-generation ventures. SJSRY has opened a new dimension where local women groups are actively involved in identification and implementation of various asset creation schemes through Neighbourhood Committees and Community Development Societies. It has not only become a source of earning for the women groups but also an element of empowerment, thereby enhancing their self-esteem in the society.

Similarly, DWCUA is a special incentive to poor women groups of ten to twelve members for setting up self-employment ventures suited to their skills, training levels, aptitude and local conditions. Each DWCUA group is also encouraged to form Thrift and Credit Societies and inculcate a sense of savings for use in need and emergency. The concept of DWCUA is not only limited to self-employment but it enriches the group members with leadership qualities, group dynamics and social belongingness.

Reproductive and Child Health Programme, a World Bank-assisted health intervention scheme for the poor women and children groups in urban areas aims to empower them in identifying and deciding their health-related priorities on a sustainable basis. The women groups constituting Honorary Health Workers are selected from the community for the purpose of assisting the poor women in understanding the basics of health and family welfare issues towards good healthy living. Janani Suraksha scheme aims at ensuring safe

child-birth at health centres and giving some financial assistance for protecting the health of mothers.

There has been recent initiatives towards recording the land right in favour of women or jointly with any family member, again stressing on the need of independence and self-esteem. Besides this, various social welfare schemes of the central and state governments are targeted towards welfare of women in need and distress like old age pension scheme, widow pension scheme, Balika Samridhi Yojana, legal aid to poor women etc.

The multifarious activities and schemes targeting poor women sometimes get lost in their own web of complexities. A "convergence" system is needed whereby the outcome of all these government interventions can be weighed *vis-a-vis* the benefits accruing to the society. The real empowerment of women would be testified by the success of the delivery of benefits to the right person at right time and its proper utilization.

Education and capacity-building is an important aspect of human development and a basic tool for empowering women towards sustainable livelihood. It is sustainable livelihood which can bear the stresses and strains of life, vicissitudes of natural calamities, and withstand the crisis period without severe difficulties and hardships. Education should stress on improving literacy, gender sensitivity, equal opportunities, awareness generation, entrepreneurship, leadership in contribution towards functioning of local economy and women's participation in the governance. Provisions should be made for easy access to credit, secure land-tenure for economic security, identity and pride, participation in designing human shelter and implementation thereof, and social protection against crime etc.

The vulnerability of poor women is distinctly economic and social in nature. The gender reality in Indian society (and developing societies) is that living and working condition is shaped by social norms that treat women and men differently, and irregularities are supported by highly gender-sensitive social power structure. Hence, for the sake of Good Governance, it becomes imperative to evolve suitable organizations and a forum to focus on activating women for sustainable living. Large number of women are compelled by socio-economic circumstances and factors like hunger, unemployment, indebtedness, family complaints to migrate from rural to urban areas in search of employment opportunities. Most of the time, they find employment in low-wage sectors and are compelled to live in slums, settlements or even on pavements. They become

exposed to malnutrition, health hazards, nature hazards and so on.

The women and girls are compelled by living conditions to spend good amount of time in collecting water for their family, to which they have no easy access. Girls are also compelled to abstain themselves from school in order to do the household chores. When their mothers work outside, little children are left unattended and malnourished. Poor sanitary conditions add to health hazards. The mandays lost increase indebtedness, stress and strains. Thus the vicious circle of poverty goes on.

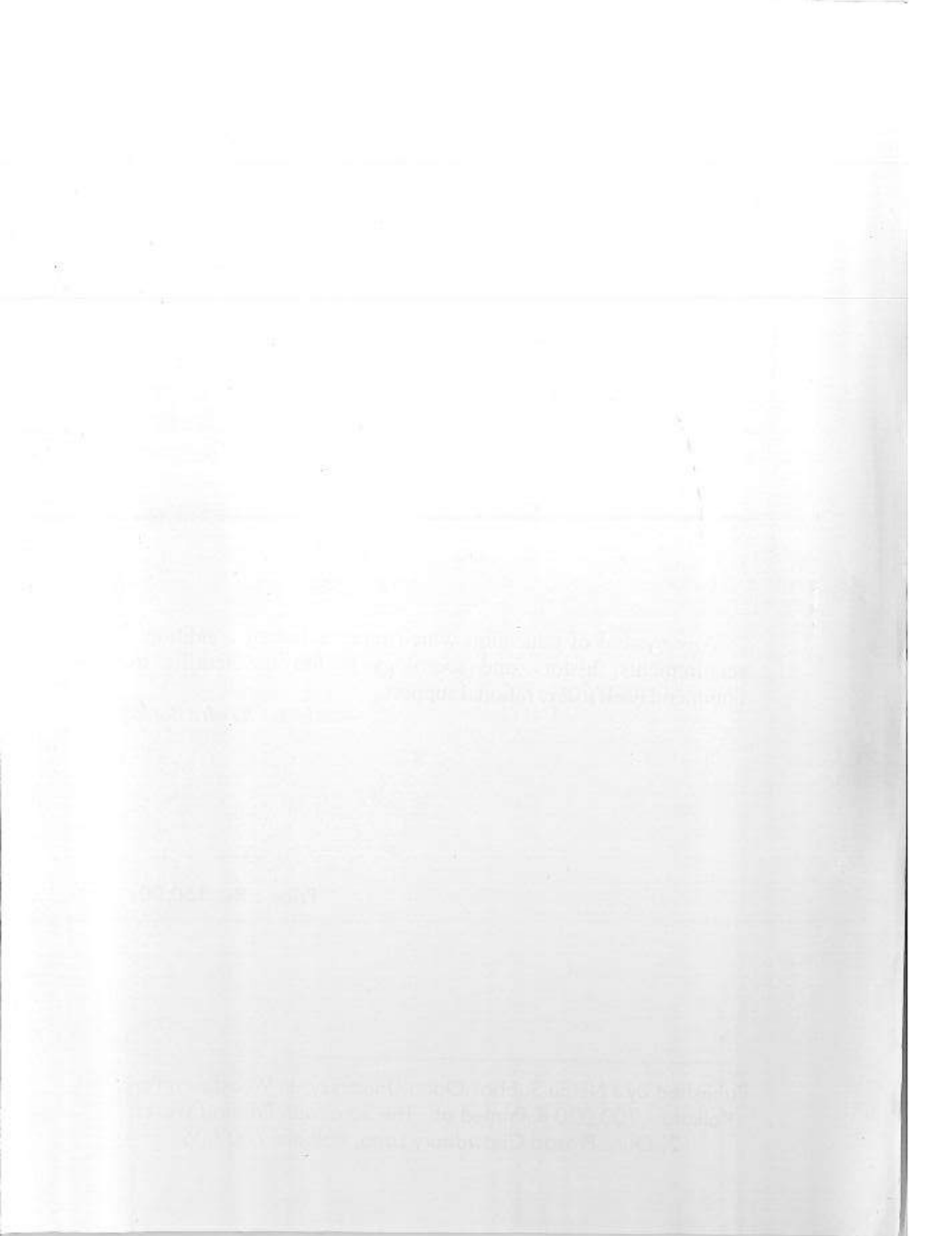
Socio-economic empowering of women can transform their lives and that of their family by demanding a process of change. Empowerment of women enable women to make their own decisions and set their own priorities in shaping their own lives. In the real sense, empowerment of women requires a multidimensional approach so that one focus does not miss on the other. The purpose of achieving Good Governance would be better served by gender-targeted public administration. It has been suggested by a professional public administrator to set up a centre for women empowerment and grievance redressal to act as the nodal centre for single-window clearance of women issues at the municipal and block level. Such a centre, acting as a coordinating point, would help bring different wings of administration under one roof for protecting and benefiting women. [Manoj Pant, 'Women Empowerment: Perspective and Approach', *The Administrator*, vol. 45, December 2002].

Questions

1. Explain the term "women empowerment".
2. Discuss the Global Gender Report and the UNICEF Report in regard to women empowerment.
3. Explain the policies by which the Indian government seeks to realise the idea of "women empowerment".

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মানুষের জ্ঞান ও ভাবকে বইয়ের মধ্যে সঞ্চিত করিবার যে একটি প্রচুর সুবিধা আছে, সে কথা কেহই অস্বীকার করিতে পারে না। কিন্তু সেই সুবিধার দ্বারা মনের স্বাভাবিক শক্তিকে একেবারে আচ্ছন্ন করিয়া ফেলিলে বুদ্ধিকে বাবু করিয়া তোলা হয়।

— রবীন্দ্রনাথ ঠাকুর

ভারতের একটা mission আছে, একটা গৌরবময় ভবিষ্যৎ আছে, সেই ভবিষ্যৎ ভারতের উত্তরাধিকারী আমরাই। নূতন ভারতের মুক্তির ইতিহাস আমরাই রচনা করছি এবং করব। এই বিশ্বাস আছে বলেই আমরা সব দুঃখ কষ্ট সহ্য করতে পারি, অন্ধকারময় বর্তমানকে অগ্রাহ্য করতে পারি, বাস্তবের নিষ্ঠুর সত্যগুলি আদর্শের কঠিন আঘাতে ধুলিসাৎ করতে পারি।

— সুভাষচন্দ্র বসু

Any system of education which ignores Indian conditions, requirements, history and sociology is too unscientific to commend itself to any rational support.

— Subhas Chandra Bose

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