

CHAPTER-6

GOVERNANCE AND IMPLEMENTATION

6.1 The issue of governance has in the recent times emerged at the forefront of the development agenda. Good governance is one of the most crucial factors required if the targets of the Tenth Plan are to be achieved. It is also this factor, or rather lack of it, which could be the cause of immense disappointment and missed development opportunities.

6.2 Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, on one hand, and provide opportunities to realise their potential and enlarge the set of available choices, on the other. These processes, covering the political, social and economic aspects of life impact every level of human enterprise, be it the individual, the household, the village, the region or the national level. It covers the State, civil society and the market, each of which is critical for sustaining human development. The State is responsible for creating a conducive political, legal and economic environment for building individual capabilities and encouraging private initiative. The market is expected to create opportunities for people. Civil society facilitates the mobilisation of public opinion and peoples' participation in economic, social and political activities.

6.3 The universally accepted features of good governance are the exercise of legitimate political power; and formulation and implementation of policies and programmes that are equitable, transparent, non-discriminatory, socially sensitive, participatory, and above all accountable to the people at large. There could however be aspects of governance that are contextually driven and geared to address the local concerns.

6.4 Experience shows that while good governance can help secure human well being and sustained development, it is equally important to recognise that poor governance could well erode the individual capabilities, as well as institutional and community capacities to meet the needs of sustenance.

6.5 In India, there are a number of regions, or States within a region, or even districts within a State, where development outcomes, in terms of social indicators, do not match with the available resources and the inherent potential of the people. States that are rich in minerals are not necessarily industrially developed, and those with rich cultivable lands and assured irrigation are often lagging behind in agricultural development. There are States in the country that have been able to achieve significant gains in overall development, while others have squandered opportunities despite their natural advantage and favourable initial conditions. There are attainments in all aspects of governance that one could legitimately be proud of and yet there are as many challenges to be faced. Even in States where development has been relatively better, there are instances of loose or poor governance. These are manifested, for example, in:

- Poor management of economies, persisting fiscal imbalances, disparities in the pace and level of development across regions and across districts;
- Denial of basic needs of food, water and shelter to a substantial proportion of the population;
- Threat to life and personal security in the face of inadequate State control on law and order;

- Marginalisation, exclusion or even persecution of people on account of social, religious, castes or even gender affiliations;
- Lack of sensitivity, transparency and accountability in many facets of the working of State machinery, particularly those that have an interface with the public;
- Lack of credibility – the gap between the intent and the actions – of some institutions in society;
- Inadequate system of incentives/disincentives for people (particularly for a civil servant), subversion of rules, evasion of taxes and failure in getting timely justice;
- Existence of a significant number of voiceless poor with little opportunities for participating even in institutions of local self-governance, despite a visible movement towards decentralisation through the Panchayati Raj institutions; and
- Deterioration of physical environment, particularly in urban areas.

6.6 All such outcomes can be easily related to the failure of one or more aspects of governance - political, economic or civic. In most cases, it is equally easy to diagnose and define what could be the ideal requirement or institutional arrangement for addressing specific concerns. What is, however, important is the need to undertake an analysis of changing governance standards as against a cross-sectional study of purely static ailments in the system. It necessitates facing and addressing questions such as, why is it that governance standard may have declined in some places over time? Why, for instance, some States have succeeded in turning around their institutional capacities to govern effectively while others have failed?

CONCEPTUALISING GOVERNANCE – AN ALTERNATIVE FRAMEWORK

6.7 A useful approach to examine the issues of governance, whether it is restricted to political,

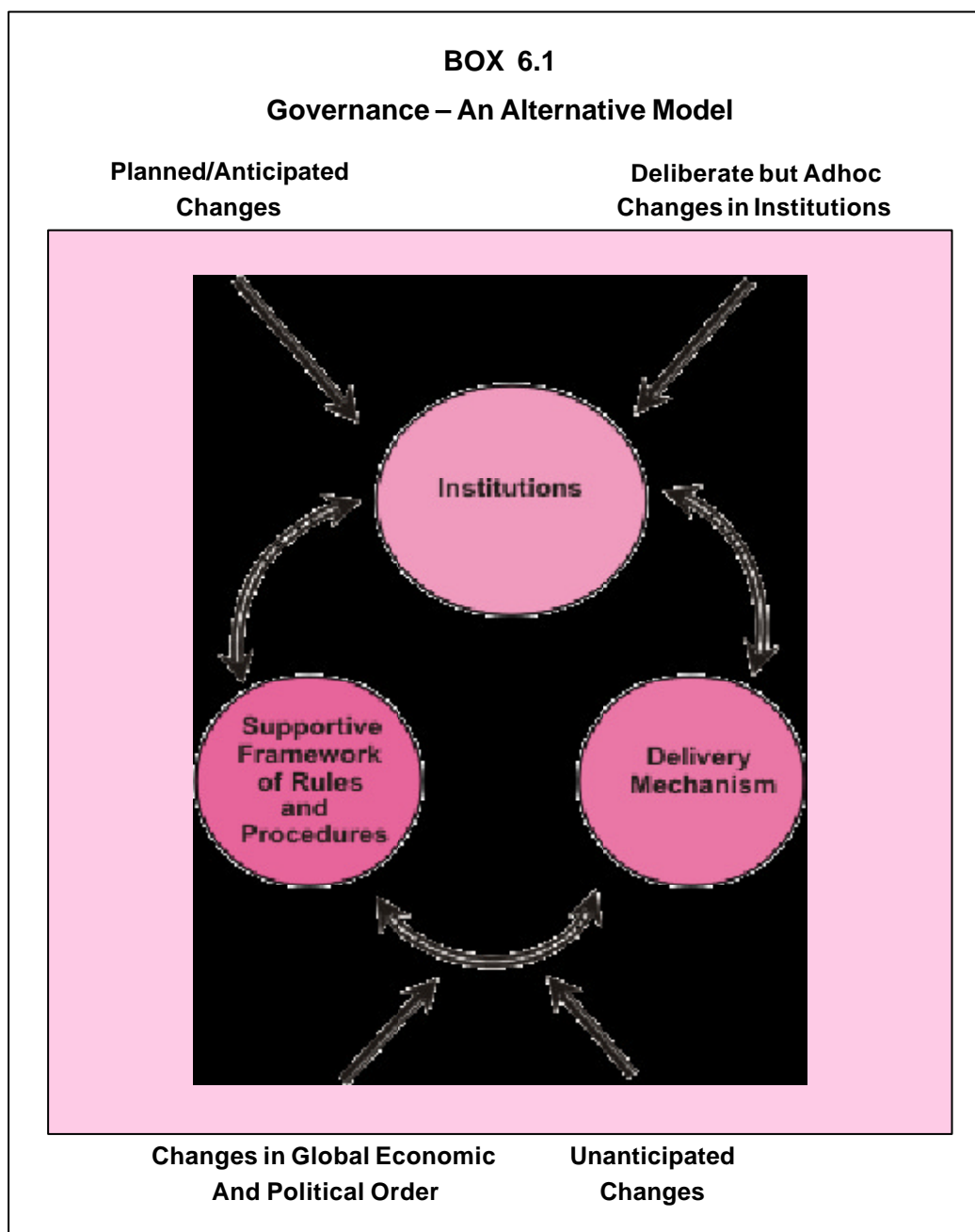
economic or civic governance or looked at holistically, is to view the process of intermediation as involving a continuous interplay of three elements, each representing a specific set of deliberate arrangements. These include:

- **Institutions** – adopted or created arrangements, both formal and informal, to bring about predictability, stability and efficiency in managing the social, economic or political transactions in any society; (For example, the institution of Parliament, the judiciary, or the civil administration.)
- **The Delivery Mechanism** – including the executive apparatus adopted or evolved by the institutions for implementing the agenda and the objectives for which the said institutions have been created; (For example law courts, hospitals, police stations or the Collector's office); and
- **The Supportive and Subordinate Framework of Legislations, Rules, and Procedures** - formulated for delivering and meeting the stated responsibilities of the concerned institutions.

6.8 Efficient governance requires efficient institutions. The efficiency and effectiveness of institutions, in turn, depends on their adopted delivery mechanism and the supportive framework of rules and procedures, each of which has to work in harmony with the other to discharge the functions for which the institutions have been created. Only then would one expect the institutions to fulfill their stated objectives and carry out their assigned responsibilities in managing the affairs of the society. More importantly, with the changing context – domestic as well as global – a change in the profile and requirements of society and development, there has to be a capacity for evolution, a continuous adaptation in each of these elements (Box 6.1). The case of planning institutions and policy 'think tanks' is a good example for illustrating this point.

6.9 Successful implementation of development programmes requires adequate funds, appropriate policy framework and effective institutional capacity to deliver. Past experience in the country has shown that availability of resources is no panacea for tackling poverty, disparities and backwardness. It is a necessary, but not a sufficient condition. The determining factor, it turns out, is the institutional capacity to formulate viable need-based schemes/projects with efficient delivery systems to utilise optimally the available resources.

The case of rural development programmes in the Central Government may be considered in this connection. Excessive compartmentalisation of the executive into Ministries/Departments has ensured that such programmes are not only spread over a host of Ministries which encourages a narrow sectoral approach to conceiving, formulating and implementing schemes, but also prevents mutual synergies that are inherent in most social sector programmes to benefit the plan initiatives. The duplication of delivery structures and the procedural



hurdles invariably curtail the flow of assistance to the targeted beneficiaries. The Mid-Term Appraisal of the Ninth Plan, for instance, points out that an amount of at least Rs. 400 billion per annum flows for rural development by way of Central and State schemes in sectors like health and family welfare; social justice and empowerment; watershed development and agriculture; tribal development; subsidies on food and kerosene; and through schemes of rural development. This is in addition to public investment in infrastructure like roads and power which also directly benefits the rural poor. All this is directed to about 50 million poor families who, on an average, are thus being allocated roughly Rs. 8,000 per annum. This amount is sufficient to buy nearly 3 kg. of foodgrain per day at the average rate of Rs. 7.50 per kg., potentially permitting them to overcome their state of deprivation significantly. The reason that this money is not being directly transferred to the targeted poor, and is being spent on State run development schemes, rests on the assumption that such initiatives are likely to build capacities, raise income levels and have multiple spin-off effects in the long run. The fact that benefits are not percolating at the desired pace is a reflection on the governance of these schemes.

6.10 In a general sense, the ability to effectively target schemes/programmes towards the most deserving depends critically upon the quality of governance. The better the levels of governance, the more precise can be the targeting. The corollary of this is that in the absence of acceptable levels of governance, it would be preferable to eschew targeted programmes in favour of more generally applicable schemes.

6.11 The macro-economic management of the economy at the Centre and in the States, in general, and that of public expenditure, in particular, also highlights the deficiencies in governance practices resulting from the inertia in the relevant institutions and their practices. An efficient macro-economic management of the economy is a necessary condition for mobilising public resources to fund the development process. It is equally important for providing a stable economic environment for

encouraging and sustaining private enterprises. Constitutionally, the federal structure of the Indian polity places greater responsibilities on the Central Government to raise and allocate the resources needed for undertaking, among others, regionally balanced development in the country. These resources are allocated among the States on the recommendations of the Finance Commission – a statutory body for assessing and recommending the flow of resources to meet the non-plan or the revenue requirements of the States – and the Planning Commission, which has been assigned the responsibility of preparing medium-term national plans in consultation with the Central and State Governments and allocating resources to undertake planned activities. In the past, with the elected governments lasting their full terms, the tenure of the Government and the term of the Finance Commission were co-terminous. With the changing political environment - premature dissolution of the lower house of the Parliament, coalition governments and different political parties forming governments in the States and at the Centre – the working together of such institutions concurrently and in consonance with each other cannot be taken for granted any more. For instance, the tenure of the 13th Lok Sabha, hence the Government, the Tenth Five Year Plan of the country and the term of the award of 11th Finance Commission are only loosely overlapping. These developments have a bearing on the macro-economic management at the Centre, as well as in the States. Institutional changes have to be, therefore, thought of to address the resulting issues and provide continuity and harmony in the working of these bodies. Similarly, there are good reasons to devise new instruments that ensure continuity of basic policies on which there is consensus across political parties. An important example, in this context, is the Bill on Fiscal Responsibility that binds the Government of the day to follow the accepted principles on fiscal consolidation (Box 6.2). It has already been introduced by the Central Government in the Parliament, and there are good reasons for similar bills to be introduced in the State legislatures.

6.12 Corruption is the most endemic and entrenched manifestation of poor governance in

Indian society, so much so that it has almost become an accepted reality and a way of life. The underpinnings of this social phenomenon, which afflicts most developed and developing societies including India, have been reduced into a formulation that equates corruption with monopoly power plus discretion without accountability and low government salaries. In other words, it suggests that when a relatively low paid government servant enters a situation where he/she enjoys both monopoly and discretionary power without any or limited accountability, he/she has an incentive to restrict his/her assigned functions and duties, and in the process, seek and charge a monopoly price for services rendered.

6.13 There are many public activities, given that the society till very recently had an administered and a regulated economy, where institutional arrangements are such that officials have monopoly, as well as discretionary powers vested in them. This includes a range of activities involving interface with State utilities; State agencies responsible for licensing, including motor vehicle licenses, passports, trade licenses; and tendering of publicly instituted works. Procedural and legal hurdles that an individual has to confront in almost every interface with the public authorities also compound the problem.

6.14 It turns out that efficient and effective governance, be it the case of the executive, the judiciary or the legislature, requires the institutions, the delivery mechanism that they adopt and the framework of supportive rules, regulations and procedures to continuously evolve in harmony with each other and in response to the changing context. It makes the issue of governance context specific to time and the stage of development in any society. With the acceptance of market liberalism and globalisation, it is expected that the State yields to the market and the civil society in many areas where it, so far, had a direct but distortionary and inefficient presence. It includes areas where the State, for instance, had entered as a producer of such goods and services that are also produced in the private sector. It also includes the role of the State as a development catalyst where, perhaps, civil society presently has better institutional capacity. At the same time, with the growth of markets and the presence of an aware and sensitive civil society, many developmental functions as well as functions that provide stability to the social order have to be progressively performed by the market and the civil society organisations. It means extension of the market and the civil society domain at the expense of the State in some areas. It also implies an increase in the area of their respective overlaps.

Box 6.2

Fiscal Responsibility Bill – 2000-01

The Central Government introduced the Fiscal Responsibility Bill in the Parliament in its Winter Session in 2000. It is, presently, under examination before it is taken up in the Parliament for enactment. Though Article 292 of the Constitution already provides for fiscal austerity, an explicit legislation is, perhaps, necessary in an era of coalition politics. The key features of the Bill are:

- The fiscal deficit, defined as the excess of total expenditure - including loans, net of repayments - over revenue receipts plus certain non-debt capital receipts, to be 2 per cent of the GDP by 2006 from 5.1 per cent of GDP budgeted for 2000-01;
- The revenue deficit, defined as the difference between revenue receipts and revenue expenditure, to be zero by 2006 from 3.6 per cent of GDP budgeted for 2000-01;
- Total internal and external liabilities at 50 per cent of GDP by 2011 from the present level of about 56 per cent of GDP;
- Prohibition of borrowings by Central Government from RBI after 2004, except under special well-defined circumstances; and
- Expenditure cuts, whenever there is a shortfall of revenues vis-à-vis the budgeted expenditure.

ISSUES AND STRATEGIES FOR THE TENTH PLAN

6.15 The issue of improving governance in the country has to be addressed at multiple levels, in view of the current context. Government can neither have a completely minimalist role nor an entirely proactive one. It has to be directed at building personal capabilities and community capacities for human development through all possible means. The focus has to be on creating a conducive environment for growth and development in the country and, above all, improving the efficiency of resource use, particularly in the public sector. There are, however, aspects of governance and the contingent instruments that have to be taken up on priority. Some of these are described below.

- (i) **People's Participation:** The involvement and participation of the people at all stages of planning, implementation and monitoring is a pre-requisite for good governance. Very often plans are misplaced because they are not reflective of the actual requirements of the people and are not culturally and socially sensitive to the ethos of the people for whom they are meant. People must feel a sense of ownership of such plans/programmes and must participate and even contribute towards them. The trend of expecting the government to do everything for them must come to an end. Programmes and schemes where people participate have been known to be much more successful. This could be done by involving the people through PRIs, local bodies, self help groups, women's groups, user groups, associations, trade unions etc.
- (ii) **Decentralisation:** The enactment of the 73rd & 74th Constitutional Amendment Bills, 1992 has paved the way for the creation of statutory institutional structures for realising the goals of self-governance, under the Panchayati Raj and urban local bodies systems. The explicit objective of this initiative for democratic decentralisation of governance is to accelerate the socio-economic development within a participatory framework at the grass-root level, which must be carried forward in letter and in

spirit. This has been discussed in greater detail in volume III, chapter 5.

- (iii) **Right to Information:** To a great extent, the task of the development administration would become easier if steps are taken to make available information, as a matter of right, to the citizens. The right to information has to be the starting point for much of the reforms proposed. The right to information is so important because very often people do not even know what programmes and schemes are available and what they are entitled to. Also, policy and procedural reforms can be effective only when people know that such changes have been made. The Right to Information Act must be enacted expeditiously and implemented in letter and in spirit.
- (iv) **Reforms of the Revenue System :** Besides there being a governance aspect to the delivery of schemes and services, resource mobilisation should also be viewed from the governance perspective. Unfortunately the revenue system as evolved in India is perceived to be one of the most oppressive and corrupt systems of government. As a result of mal-administration and corruption in the revenue system, not only is there a loss of revenue but it also encourages the people to participate in the black/parallel economy. It is therefore not only necessary to have reasonable tax rates, but equally important to reform the tax administration to make it more transparent, equitable, and user-friendly. There is a need for a review of the system of rewards and punishments and also the procedures used for the same. The district revenue administration also needs to be revisited. With the passage of time, the function of actual revenue collection has become minimal but what is left, are the powers that enable the collection of revenue. These powers should be reviewed and only those which need to be retained should be separately notified, clearly mentioning the authority and the responsibility.
- (v) **Mobilisation of Other Resources :** An important aspect of mobilising resources for funding the development plans relates to

the ability of the system to identify and tap resources. This is an area of managing public resources and is linked to identifying and addressing such administrative and policy practices that come in the way of effecting economy in the expenditure, particularly in the area of non-developmental activities of the State. An important issue is that of the subsidies, both direct and implicit, which are estimated to form a substantial proportion of GDP. The definition, magnitude, utility and justification of these subsidies merit reconsideration, all the more since it is the area with the highest potential for savings. The application and targeting of these subsidies must be made consistent with the governance capabilities. Pension liability of the government is the fastest growing component of current expenditure and has been dwelt on at length in chapter 2. At present, these liabilities are unfunded and represent a claim on the general revenues. There is evidence that the management of pension accounts leaves much to be desired and the government may be paying considerably more than is justified. The next area relates to the public provisioning of infrastructure services that, hitherto, has been funded in such a manner that the public at large has got used to not paying economic charges for these services. Some of these services are power, water supply, irrigation, transport and, even higher education. While equity considerations are, no doubt, important insofar as these subsidies are concerned, it is at the same time a fact that it is the better-off sections of the society that consumes such services are the major beneficiaries. It will be a priority, in the Tenth Plan to improve the fiscal health of the government, both at the Centre and at the State levels by making necessary corrections in the subsidy and the pricing regime for public provisioning of services.

(vi) **Civil Society** : The role of civil society in the development of the nation cannot be overstated. Several thousands of civil society organisations, including voluntary organisations (VOs), non profit making companies, corporate bodies, cooperatives and trusts are

actively involved in economic and social development. They have thus to be recognised as partners in development. The strengths of the voluntary sector, namely their advocacy skills, organisational skills and being closer to the people should be used to the advantage of all concerned. During the Tenth Plan it is proposed to:

- (a) involve VOs in the task of planning, and implementation and being the interface with the public, especially at the cutting edge;
- (b) develop core competencies and professionalism in the voluntary sector;
- (c) broaden the base and scope of voluntarism by encouraging its growth in States and regions where the same has been weak;
- (d) create an enabling environment for greater involvement of the voluntary sector, especially in backward areas where the State machinery is found wanting;
- (e) review the working of the mother NGO concept and based on that consider alternative modalities of funding VOs, for greater transparency and accountability; mechanisms have to be evolved for ensuring that funds from public/private/external sources reach the VOs which are serving the poor and disadvantaged;
- (f) build appropriate data bases, carry out documentation, research and dissemination of innovative development models evolved by VOs;
- (g) promote a symbiosis between VOs and PRIs so that they can complement each other and avoid conflict, this could be done by giving suitable representation to VOs in the planning committees of the PRIs;
- (h) monitoring and evaluation, especially of the 11 monitorable targets of the Tenth Plan; and
- (i) initiate a shift towards increasing the financial contribution of civil society to the development process.

(vii) Civil Service Reforms must be aimed at improving transparency, accountability, honesty, efficiency and sensitivity in public administration at all levels. The solution to the problem of corruption has to be more systemic than any other issue of governance. Merely shrinking the economic role of the State by resorting to deregulation, liberalisation and privatisation is not necessarily the solution to addressing the problem. All such procedures, laws and regulations that breed corruption and come in the way of efficient delivery system will have to be eliminated. The following are some of the steps that will need to be taken in this regard to improve the efficiency of the system.

- (a) *Enforcing the right to information.* This must be the starting point and has been described in point (iii) earlier.
- (b) *Greater transparency in policies and procedures.* The processes and the outcomes of policies, entitlements and procedures must be transparent, widely shared and well displayed.
- (c) *Minimising discretion.* It is believed that less discretion would lead to a more equitable and less corrupt system.
- (d) *Those who have the authority must also be made accountable.* Prevalent institutional arrangements have to be reviewed and changes made so that those vested with authority are also made accountable.
- (e) *Revamping the system of rewards and punishments.* The present system of incentives in public life, which makes corruption a high-return-low-risk activity, need to be changed. There has to be an incentive structure that rewards and promotes merit, at the same time disciplines and punishes malfunction and misconduct. Public examples will have to be made of people convicted or charged for misconduct/corruption.
- (f) *Review of the functions of the Government and shedding of the redundant ones.* The functions of the Government change from

time to time. We have come a long way from the days of famine management and quotas for industrial raw materials etc. The opening up of the economy and globalisation have brought in many changes. It is necessary to review the situation and identify departments and functions within departments that were once essential, but are now redundant and would need to be done away with. A good example is the office of the Cane Commissioner in the Cooperative Department which has become infructuous with the change in the cooperative law. In a bid to enhance the productivity of bureaucracy, it is important to make certain that each employee is performing relevant tasks.

- (g) *Improve professionalism.* The induction of professionals/specialists into the administrative system, on contractual appointments should be examined and suitable policy changes made in the entry policy.
- (h) *Capacity building and training.* The system of pre-service and in-service capacity building for all cadres and ranks must continue where it exists and be introduced where it does not. Training should be demand driven and relate to technical, managerial and information technology related areas.
- (i) *Rightsizing the Government.* It is a well recognised fact that the existing structure and size of the government needs a review. The Expenditure Reforms Committee has reviewed a number of central departments in this regard. Their decisions need to be implemented. Surplus staff in the Government is a serious problem and corrective steps cannot be postponed. There is need to urgently identify the surplus staff, set up an effective redeployment plan and a liberal system for exit. Recruitment policies need to be realigned in a manner so that only functional posts are filled and the other

vacancies are either allowed to lapse or filled through redeployment. There has to be a two per cent reduction in the staff strength per year, over the Tenth Plan period. Since the expenditure on staff has increased to unsustainable levels, there is a need for effecting changes in the service conditions, at least, for the fresh recruits. A shift towards a contributory pension system for the new employees could be a starting point. Alternative ways of carrying out a job/activity must be examined and assigned to the Government only if considered essential.

- (j) *Stability of tenure.* For any constructive, innovative and sustainable work to be done, there has to be a minimum stability of tenure, especially of the middle and senior level officers.

(viii) Procedural Reforms cover all aspects of government's interface with the public. Often private initiatives, entrepreneurial energies and innovations are snuffed out by the maze of red-tapism and procedural and legal hurdles that come in the way of development. Elimination of unnecessary procedural controls and regulations that stifle entrepreneurial energy, breed corruption and affect the common man will be a priority area of improving governance. Although various governments from time to time have announced 'single window clearance' procedures and 'investor assistance cells', they have rarely been effective. The primary reason for this is that the problem is not only of inadequate coordination, but also relates to fragmented and often arbitrary exercise of various powers of government, vested in a number of functionaries, through a complex system of delegation of authority. It is compounded by the fact that the rules and regulations are seldom transparent. Rationalisation of such rules, notifying them in a comprehensive and transparent manner, assigning responsibilities, determining accountability of each functionary, clearly laying down time limits for taking decisions and providing administrative and legal recourse in

case of malafide dilatoriness will be necessary to address this problem.

- (ix) Programme/Project Formulation :** One of the most common reasons for the failure of programmes and schemes is the faulty and incomplete design of the programme/project/scheme. Care must be taken to formulate programmes, projects and schemes in a more systematic and professional manner. Various alternatives for achieving the same purpose must be considered and the most appropriate one selected. Programmes/projects/schemes must have clear goals and objectives; strategies and action plans; and well defined delivery mechanisms. Benchmarks and indicators for reviewing and assessing the impact must be carefully determined. Responsibilities for implementation at various stages must be clearly identified.

- (x) Project Based Reform Linked Support :** One way of improving the delivery system relates to enhancing the scope of project based assistance to States and development agencies/institutions. The recent experience has been that project-based assistance, particularly in the area of infrastructure – roads and bridges, power and irrigation has been more effective in meeting its objectives. It is also more amenable to monitoring and better targeting. Such assistance has to be essentially viewed as an input that meets strategic gaps in the development effort of the State Governments which, once met, should enable the States to sustain their efforts. Some examples of reform linked support are the Accelerated Irrigation Benefit Programme (AIBP), Accelerated Power Development and Reform Programme (APDRP), Urban Incentive Facility and the Rashtriya Sam Vikas Yojana (RSVY).

- (xi) Synergy and Coordination** between different public and para-statal agencies engaged in development is critical for obtaining the maximum benefit from limited resources, for minimising overheads, checking duplication of efforts and using resources and person-power

optimally. Moreover, excessive loading of responsibilities on some branches of civil administration, for instance, the District Collectorate which has been reported to be overseeing 167 development schemes at the block level in one instance, not only undermines the overall institutional capacity to deliver but also compromises on the quality of public interventions in what are critical areas of human development.

(xii) Monitoring : Another aspect that has a direct bearing on improving the delivery system and also the efficacy and efficiency of public spending relates to the issue of monitoring. There is a general perception and perhaps rightly so, that in the absence of adequate monitoring and evaluation of plan programmes and other non-plan activities, there is a considerable amount of wastage, leakages and spill-over of programmes over successive plans, leading to a less than optimal use of the scarce public resources in the development process. This is on account of the fact that the existing mechanisms for monitoring and evaluation have neither been adequately used by the agencies responsible for implementing various programmes nor has there been any visible effort to improve and strengthen these mechanisms over time. The Planning Commission has recently taken steps to address this issue in consultation with the Central Ministries. It has initiated a practice of holding of Quarterly Performance Review meetings under the concerned Members in the Planning Commission. The objective is to review from time to time the performance of the Central Ministries' plan programmes and schemes, both from the physical and financial points of view, correlate the two, identify constraints and bottlenecks, and suggest remedial measures. Special attention is however to be given to the design and delivery mechanism of individual schemes with a view to improving the accountability and efficacy of plan spending. Similar initiatives need to be taken by the Central and State Governments. In order to make monitoring focused and useful, clearly defined indicators (inputs and output indicators)

must be identified, with clear time-frames at the project/scheme formulation stage itself.

(xiii) Rationalisation of Centrally Sponsored Schemes (CSSs) and Central Sector Schemes (CSs) Using Zero Based Budgeting (ZBB): Centrally Sponsored Schemes were originally to be formulated only where an important national objective such as poverty alleviation was to be addressed, or the programme has a regional or inter-State character or is in the nature of pace setter, or is for the purpose of survey or research. However, the CSSs have proliferated enormously, and in the terminal year of the Ninth Plan there were as many as 360 CSSs and 2247 CSs. Many of these have similar objectives and target the same population. Certain generic components, like information, education and communication (IEC) are repeated in a number of schemes. This also leads to multiplicity of the implementing machinery and lack of synergy and coordination. CSSs rarely follow a project approach and usually do not have benchmarks or performance indicators. The Tenth Plan strategy clearly aims at improving efficiency or public assets and the quality of expenditure of the public sector through rationalisation of the Central Sector and Centrally Sponsored Schemes by way of convergence, weeding out and transfer to the States. In the terminal year of the Ninth Plan, the Planning Commission carried out a Zero Based Budgeting (ZBB) exercise for all the Central Ministries/ Departments with the above purpose in mind. As a result of this exercise, of the 360 CSSs in operation in the Ninth Plan, Planning Commission recommended weeding out of 48 schemes, merger of 161 schemes into 53 schemes, and retaining the remaining 135 schemes, implying a carrying forward of 188 CSSs to the Tenth Plan. Similarly, of the 2247 Central Sector Schemes in operation in the Ninth Plan, Planning Commission recommended weeding out of 539 schemes, merger of 1001 schemes into 233 schemes, and the retaining remaining 689 schemes, implying a carrying forward of 922 CSs to the Tenth Plan.

It has been decided upon that this exercise will be a regular feature for the Planning Commission and the States will also be encouraged to undertake such reviews of their schemes. Besides the above, the following strategies will be followed in the Tenth Plan:

- (a) a new CSS will be permitted only in exceptional circumstances. Efforts will be made to modify existing schemes or take up the activities in the State sector rather than start a new CSS.
- (b) monitoring of CSs and CSSs including tracking State-wise flow of funds and assessing physical and financial targets under different schemes will be essential
- (c) as far as possible, all new CSSs should be conditional on reforms in that sector
- (d) there should be flexibility between components of a scheme; and
- (e) wherever possible, the macro management or cafeteria approach should be used for a group of schemes. This provides the states a basket of schemes to choose from, and selection of the schemes most suited to their requirements.

(xiv) Empowerment of the Marginal and the Excluded has been demonstrated, in many cases, to be among the important means to establish countervailing forces or pressure groups in society to resist bad governance, and check the deterioration in governance standards and personal exploitation by others. The vested interests in any system often have stakes in maintaining the status quo of such under-privileged groups. The only way to break these informal but deliberate and often stubborn arrangements is by equipping the marginalised in the society to fight for their legitimate rights. This requires not only legislative initiatives through acts of positive discrimination, for instance, by undertaking reservation for women in the legislative bodies at all levels, but it also requires directing explicitly the public developmental efforts at addressing the economic insecurities of the

targeted segments of the population. It requires the dissemination of information and free access to all. Mention has been made to the importance of the Right to Information in para (iii) earlier. There is a need to identify a system to ascertain whether information is reaching these groups or not. What is required most of all is the capacity building of the individuals through human development strategies, involving the access to education, basic health care facilities and opportunities of livelihood. The media and the voluntary sector also have a very important role to play in exposing and bringing up front issues of bad governance and graft.

(xv) Judicial Reform : There is an urgent need to bring about judicial reforms with a view to speeding up the process of delivering justice. Alternatives to the regular delivery mechanism through a hierarchy of alternate courts like Family Courts, Lok Adalts, Nyaya Panchayats etc., need to be resorted to more often.

(xvi) Using Information Technology (IT) for Good Governance : Electronic-governance (E-governance) is fast emerging as an important tool for achieving good governance especially with regard to improving efficiency, transparency and making interface with government user friendly. E-governance denotes the application of IT to the processes of government functioning in order to bring about better governance which has been termed as SMART (simple, moral, accountable, responsive, and transparent). So far the emphasis has been on providing connectivity, networking, technology upgradation, selective delivery systems for information and services and a package of software solutions. In the Tenth Plan it is proposed to focus on the re-engineering of procedures and rules which are in fact the core of any effective programme of E-governance. The master plan for E-governance for the Tenth Plan emphasises the need for a focused vision about the objectives of introducing E-governance. The range and standards of delivery to be achieved within well defined time

frames will need to be clearly laid down. Due attention will be given to the sustainability, inter-activity and standardisation of any E-governance activities. Resources will be raised both from the public and private sectors. Within the ambit of E-governance, it will be necessary to develop G2G, G2C, G2B functionalities*. One of the major initiatives envisaged in the IT sector is to take IT to the masses. Creation of softwares for establishing an inter-face with the diverse Indian languages used in India poses a real challenge. In the Tenth Plan the endeavour will be to develop suitable software and technologies to enable people to interact and use computers in local languages. Internet accessibility and content creation in local languages will be promoted. Innovative and cost effective solutions, at the same time, have to be found to make available the required band-width in remote and rural areas.

The Path Ahead

6.16 Good governance is perhaps the single most important factor in ensuring that the objectives of the Tenth Plan are achieved. In view of the above, it will be important that all the players are on board and that there is a realization of the need and a willingness to undertake the reforms and other policy steps mentioned in para 6.15 above. Steps will have to be taken to address issues relating to improved people's participation, effective decentra-

lization of governance, involvement of civil society, especially voluntary organizations and the crucial Right to Information. Civil service reforms aimed at improving transparency, accountability, efficiency, fair play and honesty; procedural reforms for public-government inter-face to rid the system of unnecessary rules, procedural regulations and controls; reforms of the revenue system and mobilisation of resources; and judicial reforms with a view to hasten the process of delivery of justice will be required to be taken up in all earnestness. Systematic and professional programme/project formulation; project based reform linked plan support; synergy and coordination between different government departments and agencies; rationalisation of Centrally Sponsored Schemes and Central Schemes using Zero Based Budgeting; and more effective monitoring and evaluation will have to be encouraged and supported. Empowerment of the marginal and the excluded should be pursued with a view to equip them to act as pressure groups to resist bad governance and check the deterioration in governance and exploitation of the public. E-governance and IT will have to be given a big push to increase transparency, fair play and make systems faster and user friendly.

* G2G : Government to Government
 G2C : Government to Citizen
 G2B : Government to Business