

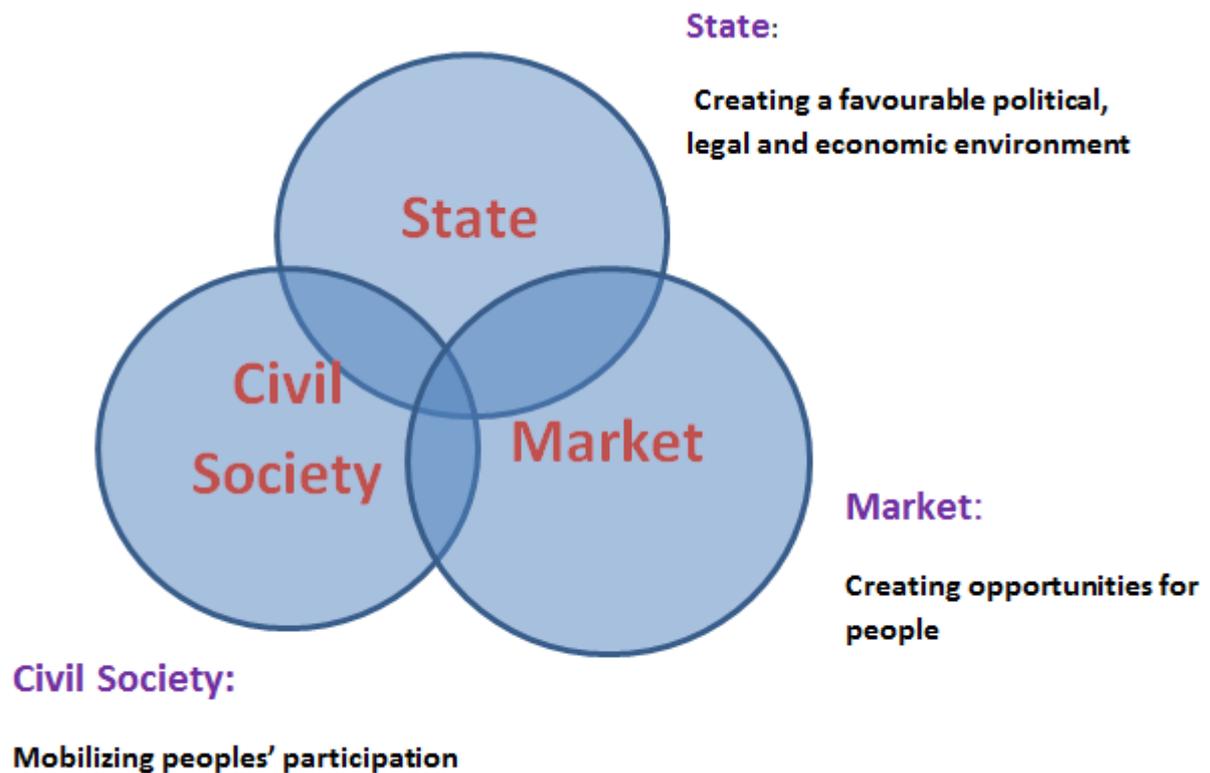
UNIT 20 – UPSC - Important aspects of governance, transparency and accountability

Governance is described as the formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions (ODI). The notion of "Governance" is used from prehistoric time by human civilization. Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. Governance elucidates the mechanisms an organization uses to make certain that its components follow its established processes and policies. It is the primary way to maintain oversight and accountability in a loosely coupled organizational structure.



Many theorists defined the notion of governance of current years. It is explained by group of academicians that "Public sector governance refers to the way that the state acquires and exercises the authority to provide and manage public goods and services, including both public capacities and public accountabilities (Levy, 2007). UNDP Strategy Note on Governance for Human development described that governance is "a system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way society organizes itself to make and implement decisions achieving mutual understanding, agreement and action. It consists of the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set the limits and provide incentives for individuals, organizations and firms" (UNDP, 2007). Other professionals explained the concept of governance as distinct from government, and is the process through which various stakeholders articulate their interests, exercise their rights, and mediate their differences (Debroy, 2004).

Three players in Governance



The role of governance on national and local level: Key factors of development include education, health, and security which are public goods to be provided by central and local governments. The share of GDP managed by government is positively correlated with the level of country's development. Performance of government is a central component of governance and a pre-requisite for successful development of a country.

In India, according to tenth Five Year Plan, "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" (Planning Commission, 2008).

Plentiful research have been done to elucidate the ideologies of governance. According to Tandon (2002), good governance is "the joint responsibility of the state, market and citizens to mobilize public resources and promote public decision-making towards the advancement of common public goods." The theoretical concept that explicate and prioritise public goods, institutional mechanisms and structures for delivery of those public goods, and processes by which such structures and mechanisms operate. It emphasizes articulation of interests by various stakeholders, specially the hitherto excluded and the marginalized. Governance identifies that differences among various interests around public goods, and the preferred modes of delivering the same, would necessarily exist in a democratic society, and it, hence, lays emphasis on negotiated and dialogical approaches to deal with those differences.

The Eleventh Plan presents six benchmarks of such democratic governance:

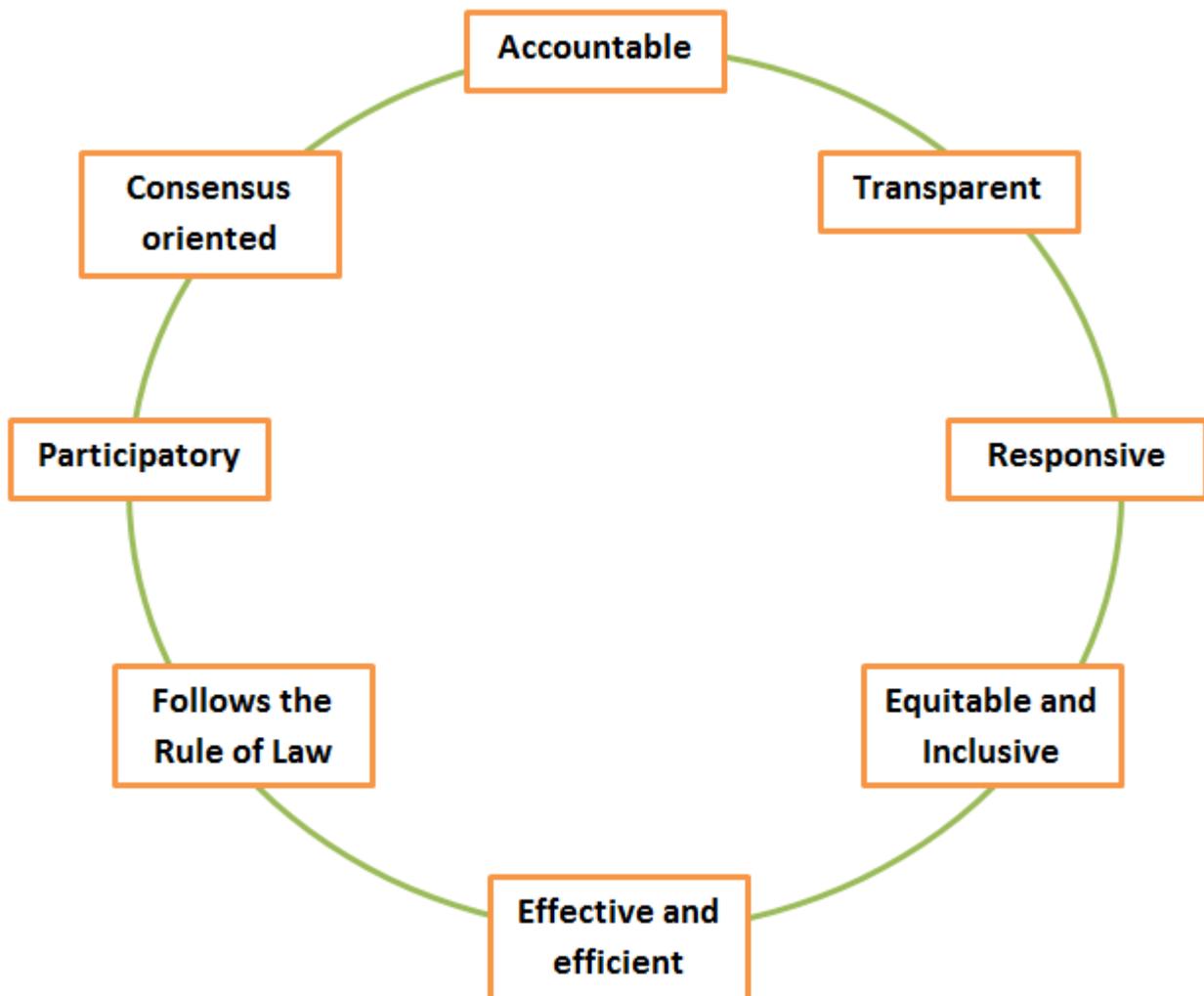
1. Free and fair and timely elections of all spheres of political authority.
2. Transparency and accountability of all institutions of the state to citizens.
3. Efficient and effective delivery of socio-economic public services.

4. Effective devolution of authority, resources and capabilities to PRIs and municipalities.
5. Rule of law, where legal rights are clear and understood, and legal compliance and enforcements of those rights is time-bound and swift.
6. Needs and interests of hitherto excluded sections of society are privileged and included, with dignity.

It has been revealed in reports that the Government of India is following a set of standards for reforming governance in the nation, which are essentially citizen-centric transparency, accountability and efficiency of all institutions, agencies and actors of the government, with particular attention to those citizens who have been basically excluded so far. Governance is the exercise of economic, political, and managerial authority to manage account affairs at all level. It consists of the mechanisms processes, and institutions levels (UNDP, 1997)

Characteristics of governance: The main features of good governance as described below:

Elements of governance:



1. Participation: Researchers have stated that Participation is a major factor both by males and females for good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It can be established that representative democracy does not necessarily mean that the concerns of the most susceptibility in

society would be taken into consideration in decision making. Participation needs to be informed and organized.

2. **Rule of law:** Good governance requires impartial legal structures that are prescribed neutrally. It also requires full defence of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force. Basically, the rule of law is termed as the institutional process of setting, interpreting and implementing laws and other regulations. It means that decisions taken by government must be founded in law and that private firms and individuals are protected from arbitrary decisions. Reliability entails governance that is free from distortionary incentives through corruption, favouritism, patronage or capture by narrow private interest groups; guarantees property and personal rights; and achieves some sort of social stability. This offers a degree of reliability and predictability that is vital for firms and individuals to take good decisions.
3. **Responsiveness:** Governance needs that institutions and processes try to serve all stake holders within reasonable timeframe.
4. **Consensus oriented:** Good governance necessitates intervention of various interest groups in the culture to reach a broad agreement in a society for the benefit of the whole community and the way it can be accomplished. It also requires broad and long-term perspective for needs of sustainable human development and how to achieve goals of such development.
5. **Equity and inclusiveness:** The welfare of a society depends on ensuring that all its members feel that they have a stake in it and do not feel that they have been excluded from the mainstream of the society. This requires all groups, but particularly the most vulnerable, have opportunity to improve or maintain their wellbeing.

Transparency

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Governance:

Transparency is broadly accepted as a major principle of good governance (World Bank (2000) the UNDP has perceived that transparency means "sharing information and acting in an open manner" (1997). Furthermore, transparency allows stakeholders to collect information that may be critical to uncovering abuses and defending their interests. Transparent systems have flawless procedures for public decision-making and open channels of communication between stakeholders and officials, and make a wide range of information available UNDP (1997). Transparency represents that decisions taken and their enforcement are done in a way that follows rules and regulations. It also entails that information is easily available and directly accessible to those who will be affected by such decisions and their enforcement. According to Tandon (2002), transparency means that the criteria, process and systems of decision-making are openly known to all in a public manner. The declaration of Right To Information Act (2015) set the stage for the transparency in the functioning of the government and its various agencies. Under this Act, access to information from a public agency has become a statutory right of every citizen. In its enactment, it has been contended that the system of government in India is so impervious that ordinary peoples do not have much information about how decisions are made and how public resources are utilized. In effect, RTI Act is a media for greater transparency about the manner of functioning of public agencies. A recent study (PRIA, 2008) on implementation of RTI Act in 12 states established following facts:

1. Information about who the designated Public Information Officers (PIOs) were in the district was not available in 90% of the districts;
2. Nearly half of all respondents felt that PIOs were not at all cooperative in giving information even when asked (Kerala and MP behaving worse than UP, Bihar, Orissa and Haryana);
3. Self-disclosure mandated under section 4 of the RTI Act was not made in 90% of the districts in these states.

Major provisions of this Act is self-disclosure of information in public domain. It is expected that if passable information is available, citizens can demand services and claim rights due to them from suitable authorities and officials. The status of self-disclosure is rather poor countrywide. Current study conducted by PRIA and CHRI (2009) about status of self-disclosure in the field of food security exhibited that Food Corporation of India and PDS (civil supply departments) have sensibly clear web-based self-disclosure at national level. But, the quality and convenience of such self-disclosed information at district level becomes very poor and non-existent. It indicated that an ordinary resident eager of accessing food from the PDS system cannot get any clear information from the system of self-disclosure currently being practiced in these states (including Karnataka, Gujarat and HP, which are generally deemed to be better governed states). Disclosure of information at state or national levels only, mostly in English language, and largely through only web-based tools have resulted in systematic rejection of the very same citizens in whose name and interests of right to information has been endorsed.

Transparency is required to make the system of public service delivery effective. It allows ready information to the citizens in a manner that they may be able to claim their entitlements. However, sheer knowledge of what entitlements are, and who is responsible for fulfilling them, is not sufficient to ensure that public services are passably and effectively delivered to the 'intended' recipients.

Accountability

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Governance:

Accountability become crucial concept in maintaining good governance. Simply defined, accountability means being answerable for the performance of tasks assigned to a person; if task assigned is selection of beneficiaries for a scheme, then accountability will indicate whether the selection has been carried out by applying the criteria, and following the procedures laid down, in the timely manner within the budgets specified. Consequently, accountability necessitates the clear specification of tasks to be performed, the time frame and budget available for performing those tasks. Additionally, it is also important to be clear about the responsibility for performance of those tasks; person responsible and whether it is clear to them. It also states that whether responsible authorities have the necessary capacities and resources to perform those tasks.

Accountability is imperative to Governance as it evaluates the ongoing effectiveness of public officials or public bodies ensures that they are performing to their full potential, providing value for money in the provision of public services, imparting confidence in the government and being responsive to the community they are meant to be serving. There are many types of accountability in governance that include Horizontal and Vertical Accountability. The dominant interpretation is that institutions of accountability, such as parliament and the judiciary, offer horizontal accountability, or the capacity of a network of relatively autonomous powers that can call into question, and eventually punish, wrong ways of discharging the responsibilities of a given official. Horizontal accountability is the capacity of state institutions to check exploitations by other public

agencies and branches of government, or the requirement for agencies to report sideways. Otherwise, vertical accountability is the means through which citizens, mass media and civil society seek to enforce standards of good performance on bureaucrats. Social Accountability is an approach towards building accountability that relies on civic engagement, specifically a situation whereby ordinary citizens and civil society organizations contribute directly or indirectly in exacting accountability. Such accountability is termed as society driven horizontal accountability. Political accountability usually establishes itself in the notion of individual ministerial responsibility.

Characteristically in all government agencies, accountability is specified in a vertically upwards manner. Answerability to the designated boss above the departmental hierarchy. All government systems and agencies have elaborate practices and procedures for such upward reporting and answerability in respect of performance of designated tasks within the time and budget frameworks available. In addition to this ascending vertical accountability, all government agencies have systems of horizontal accountability which ensure the checks and balances. For example, Comptroller & Auditor General (CAG) audits the planned expenditures of national and state governments.

It can be established that accountability can only be determined if

1. Tasks are clearly specified.
2. Time and budget details for completion of the task are concretely laid down.
3. The person/position/team responsible for the task performance is clear to all.
4. There is a clear laid down procedure for reporting progress and completion of the task to an authority upward in the hierarchy.
5. A mechanism for course-correction for effective task performance exists.

Link between Transparency and Accountability: Accountability is the harmonising function of Transparency; if system of governance is apparent enough it would promote accountability, Transparency and Accountability are related in its mission of an organization, (Tandon, 1995). There are many advantages of transparency and accountability in governance. Transparency and Accountability in the Governance reduces occurrence of corruption, favouritism, nepotism and improves the accountability of the staff.

Practically, the governance movement will encounter major drawbacks. Poor governance is being increasingly considered as major root causes of all corrupt practices within societies. There are numerous challenges in maintaining good governance. First is the corruption. In every civilization, huge percentage of national expenditure is wasted in corrupt practices. Another major factor is process of globalization. Rosabeth Kanter stated that globalization can be described as a process of change stemming from amalgamation of increasing cross- border activity and information technology enabling virtually instant communication at international level. There are many challenges that arise from globalization that will affect to the good governance. The arrival of foreign labour because of the borderless economy. Foreign companies are easily entering in national market. Globalization also affects law and regulations especially in terms of trade, import and export taxes, migration of foreign worker, SMEs, and excise duty. Political intervention also adversely impact process of good governance. Experts advised that it is important for civil servants to have neutral attitude when it comes to political believe. Extremism also disrupt good governance. It is believed that a good governance system is a democratic system. It is participatory,

transparent, accountable and equitable and it promotes the rule of law. This infers the creation of an institutional framework recognizing the legitimate will of the people. Extremism has certainly become the menace in many parts of the world these days. Extremism is any ideology considered to be far outside the mainstream arrogances of society or to interrupt common moral standards.

With the thorough appraisal of governance features, it is found that enriched governance needs an integrated, long-term strategy built upon cooperation between government and inhabitants. It involves participation of institutions. The Rule of Law, Accountability, and Transparency are technical and legal matters at some levels, but also interactive to produce government that is legitimate, effective, and usually supported by peoples, as well as a civil society that is strong, open, and plays a positive role in politics and government.

To summarize, governance is the process of decision-making and the process by which decisions are implemented. Government is one of the actors in governance. Good governance must be responsive to administration and has fair legal system to provide protection to societal members. Good governance regards accountability, transparency, openness, predictability, participation, political legitimacy, freedom of association and participation in the process of governance, an established legal outline based on the rule of law and the independence of judiciary to protect human rights and freedom of information and expression. Governance is dependable with the rule of law and the spirit of the law, does not result from nor can it be justified by illegal or legally-suspect actions. Poor governance can undermine the legitimacy of public institutions and interrupt policy goals. External drive to strategy change is to be replaced by local commitment and ownership of reform ideas to enhance governance. Governance is effort of all states, societies and organizations to realize minimum of governance for ensuring their sustainability.