CHAPTER II

IMPACT OF GOOD GOVERNANCE INITIATIVES - DEVELOPING INDICATORS

2.1 Indicators of good governance

There is a need to assess the directions and quantum of the efforts made by the government. A very important question, which is needed to be answered before any evaluation of such activities is undertaken, is, 'Do the citizens perceive that the actions/initiatives were required/ needed'? And if it is needed, then "what will be the shape and priority." Only after this question has been answered, will come the issue of evaluation, to know if enough has been done in various fields. In the final reckoning, government must not only appear to be but should also be measurably effective. Economic growth not necessarily results in equitable human development and resources. Polarization of resources, both national and human can lead to greater economic and social disparities. Assessment, analysis and action are critical managerial inputs in every human endeavor. Correct assessment of systems and processes is important for policy and program development. Improvement and additions to good governance initiatives, if any, can be done only after true assessment of all these initiatives is done. Any attempt at measuring good governance must have clear ideas about indicators to assess the effectiveness of inter play among these regimes. Some of the results of these interplays may not be too easily discernible and measurable. Yet, the overall impact can be measured by creating a tool, which can measure the physical target achievement as well as attitude and perception of the citizens. All stakeholders must have a consensus on what
indicates good governance. There are different types of indicators. Firstly, there are input/output level indicators, which generally assess performance quantitatively. This may not help in behavioral processes. Secondly there are outcome/impact level indicators meant to assess the effectiveness of the efforts made. These can be used in summative evaluations at the end of long-term efforts. Thirdly there are condition-stress-response indicators. They measure the ground realities (condition), the challenges (stress), systematic approaches employed to meet these challenges (Response). Third type of indicators are more important for evaluating the good governance as it can not be measured quantitatively as attitude perception and views are assessed to know the effectiveness of the governance.

Sustainable development has economic, social and environmental dimensions (Munasinghe, 1992). The relationship and effect of these 3 key elements of sustainable development, which are also indicators of good governance is given in the figure 2.2.

**Fig 2.2 Key Elements of Sustainable Development**

(Source: M.Munasinghe, 1992)

- Economic
  - Growth
  - Efficiency
  - Stability

- Poverty
- Equity
- Sustainability
- Climate Change

- Social
  - Inter generation equity
  - Values/culture

- Environmental
  - Resilience/biodiversity
  - Natural resource
  - Pollution

- Empowerment
- Inclusion/consultation
- Institution/governance
This diagram illustrates that all these indicators of good governance which have linkages with each other can be placed under 3 categories. Each category or system has its own distinct driving forces and objectives. The economy is geared towards improving human welfare, primarily through increases in consumption of goods and services. The environmental domain focuses on protection of integrity and resilience of ecological system. The social domain emphasizes the enrichment of human relationships and achievement of individual and group aspiration.

Indicators are an excellent tool for communities working toward a common goal. When properly designed, they can forewarn a community about a potential problem or negative trends before its effects become irreversible. They can demonstrate the linkages among large social, economic and environmental systems and help to identify the cause of complex problems. They can measure the effectiveness of policies and projects. Most of all, they can simplify, yet comprehensively track a community's progress towards its goals. (Besleme & Mullin, 1997).

United Nations has listed 132 indicators as indicators of sustainability and has categorized these in social economic, environmental and institutional categories (Bell & Morse, 1999). These measurements of sustainability are not confined to few quantitative parameters but consist of wider qualitative indicators. These qualitative indicators can also be placed under three categories. In fact these are initiatives, which are essential and can be thus measured for attainment of sustainable development.

Even if we never use a single indicator the process (of their development) has given us so much that one learns during process itself (Meter, 1999). Indicators are a logical device to use in sustainable development, especially given their long record of use in fields such as
economics, social accountability and environmental science (Bell & Morse, 1999).

Kaufmann et al. (1999) highlight a number of reasons why it is useful to gather data on governance perceptions although the data collected is inherently subjective. For example, perceptions may often be more meaningful than objective data, especially when it comes measuring the public faith in institutions.

Court et al (2002) concluded that measuring issues of governance poses challenges that are not encountered in the economic or social development fields. While it is easier to provide firm indicators of such things as economic growth or primary school enrolment, it is much more difficult to find and agree upon indicators of a political macro phenomenon like governance or political rights. Perhaps because it is a broad and complicated concept, there exists no regular, systematic and cohesive data collection effort centered on the concept of governance. All these indicators are not inclusive. Involvement of stakeholders is very essential to know the indicators. Still indicators may appeal to a mind set for measurement yet they do not appeal to the popular imagination and this must limit their appeal to real people-the global community that is the target for the sustainability project (Bell & Stephen, 2003).

There is no consensus on the elements or indicators of good governance as different agencies have identified different elements as per their need, requirement and experience. In contrast there is a broad agreement inside and outside India on indicators of bad governance. (Human Development Report, 2003) Major among these is incidence of competition co existing with high level of mass poverty, illiteracy, and underdevelopment and increasing criminalization of politics. In the good governance discourse, democracy emerges as the necessary political framework for successful economic
development, and within this discourse democracy and economic liberalism are conceptually linked: bad governance equals state intervention; good governance equals democracy and economic liberalism (Abrahamsen, 2004). Development is a planned change process, which basically entails deviations from the present situations and balances. To achieve sustainable development, it is essential that such development takes place in a way and by making such adjustments to the human activities so as to sustain and consume the natural wealth. Term social development and sustainable development are being used interchangeably only because it has been realized that development in society is long lasting only if it does not disturb the delicate environmental balance. This means that all natural assets including human, deserve to be given their rightful place and treatment and cared for whenever such planned change of development takes place. Under the circumstances, effective governance within the available frame of resources and capabilities is the solution to minimize the managerial stress and maintain an adequate level of urban services and facilities. The response to these challenges lies in good governance. Good governance makes accountability, transparency, participation and rule of law mandatory administrative functions. They are vital pre – requisites for sustainable development also. Government has to function in a more missionary, egalitarian and energized manner (Barthwal, 2003).

As part of the World Governance Survey (WGS) project, a comprehensive assessment of governance at the national level in India was conducted in 2001. 177 experts from four states – Andhra Pradesh, Bihar, Delhi and Kerala; completed a questionnaire providing their ratings and comments to 30 indicators of governance. The findings do suggest that even in a country of the diversity and complexity of India it is feasible and valuable to
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carry out such governance assessments. Nevertheless, due to some methodological challenges, findings are indicative rather than conclusive. The survey does highlight some bright spots, including high levels of freedom of expression and association; high levels of political competition; a respected bureaucracy; and a military that accepts its subordination to civilian government. However, there was an overarching concern that policy-making is rather divorced from the people – especially the poorest members of society. Democracy in India is more impressive in form than substance. More specifically, the survey found that corruption was the most important governance challenge in the country (Court, 2003).

Government cannot meet people’s aspirations unless their decision makers are prepared to look afresh at service delivery system, poverty and administrative management system. Such change in perspectives must be accompanied by change in their attitudes, leadership styles and goals. Harmonizing the attitudes, structures and processes of government with the aspirations and needs of its citizens is the first step. The results on the ground in terms of social and economic development since independence are rather disappointing and this has happened when we have rich human and other resources, comparable capacities and capabilities which are second to none in the world. (Jalan, 2004).

2.2 Stakeholders in Governance

There are various people who have stakes in an organization. These may be external people who have direct or indirect linkages with the organization or internal employees or persons having direct dealings or benefits in the organization. Jabbra & Dwivedi (1988) have tried to explain public service accountability as “methods by which a public agency or public officials fulfils its duties and obligations, and the process by which that
agency or the public official is required to account for such actions’. In their view
accountability should include at least five elements such as

- Organizational or administrative element
- Legal element
- Professional element
- Political element
- Moral element

Typically, public governance issues are likely to involve the following stakeholders
(among others).

1. Citizens (as individuals).
2. Community organizations.
3. Non-profit organizations.
5. Media.
7. Elected Politicians.

It is obvious that the stakeholders are the most important components in any public
governance while issue will vary, depending on the policy area, the geographic area or
the community concerned (Lofller, 2003).

Bhattacharya (2003) has tried to answer the question of accountable to whom. Five such
categories are

- Internal hierarchy
- Legislature
- Judiciary
- Citizens
- Media

Excepting the first one, all other accountability relationships are external to any organization. Beyond internal supervisory accountability, public organizations are answerable to the two principal organs of the government; the legislature and the Judiciary. He claims that third world is a post-colonial administration with a distinct hangover of the structure and culture of dominant bureaucracy. Media in a democracy has to keep a constant vigil and whether public administration is really serving the public or exists for private interest. Bureaucratic accountability is at the mercy of public administration in a democracy. One major concern is to ensure that those who wield power exercise it responsibly so that they can be held accountable for their action. According to him, the notice of political accountability carries two basic connotations:

a) Answerability -obligation of public officials to inform about and explain what are they doing.

b) Enforcement - the capacity of accounting agencies to impose sanctions on power holders who have violated their public duties.

As per the public perception survey conducted by Government of National Capital Territory of Delhi in 2005 it has been reported that citizens have identified 4 major concerns related to physical quality of life; inadequate access to safe drinking water, poor sanitation, ineffective garbage disposal and insufficient water supply. High levels of crime and insecurity have been perceived as a disturbing factor as well (Delhi Human Development Report, 2006).
2.3 Need for the Study

Good governance is an important element of sustained economic growth, which is a key to reducing poverty and the vulnerability of the poor. Good governance is also an important factor in ensuring a more transparent, fair and just society. It also relates to the government’s ability to create a more open and flexible society that gives voice to the people and benefits all. Information revolution has transformed the way individuals look at transparency and openness. Technology advances, including the Internet, have made possible for the vital information to be readily available to the public, which is a precursor to good governance. The concept of “governance” means the process of decision-making and the process by which decisions are implemented (or not implemented). Government is one of the most important actors in governance. Good Governance has 8 major characteristics. It is participatory, consensus oriented, transparent, effective and efficient, equitable and inclusive, accountable, follows the rule of law and responsive. It is also responsive for the future needs of the society. Assessing of the impact on any of element in isolation is not possible as all elements are linked to each other. However Accountability is at the center of the good governance. Greater accountability can further lead to more transparency and improved regulatory framework. Transparency plays an important role for conducting social audit, which is an essential component of accountability and essential also for democratization. More transparency can further lead to higher consensus in decision-making and more participation and democratization. This will enhance efficiency and effectiveness of the Government. Jalan (2004) during his convocation address at Indian Institute of Management, Ahmedabad said that the administrative structure of India with the so-called ‘steel frame’
of a permanent bureaucracy has more or less justified its title of ‘Steel frame’, which did
its best to serve the country under difficult circumstances. Even after considerable
weakening and rusting of the frame, the governance structure remains largely intact at the
center, states and the districts. We, in India have a fine combination of an operational
governance structure, a functioning democracy and assertive judiciary, all working
together. Yet, the results on the ground in terms of social and economic development
since independence are rather disappointing. We have low growth, low literacy and an
abundance of poverty. This has happened when we have rich human and other resources
and comparable capacities and capabilities, which are second to none in the world. If we
try to analyze and summarize this failure it can be safely concluded that this happened
largely because of the poor governance at every level and we failed to focus sharply on
the interests of the public. Democratic system, good administrative frame work and
excellent legal system, all the major contributors for good governance appeared to be
working backward and creating hurdles in the path of Good governance and public
welfare. In public enterprises, where labour and management was expected to work
together in harmony; political and bureaucratic interference without responsibility
became the bane. Tolerance of political corruption became an unavoidable feature in the
electoral process. Policy making at political level is affected by caste, religion, and
region. Accountability is one of the most important pre-requisites for good governance.
It makes power meaningful and relevant by justifying the use of power. Power without
accountability is a force without purpose and social sanction. Governance may have
participation of people and transparency but objectivity and fair play is possible only if
proper checks and counter checks are applied. Public administration is often

25
circumvented by pulls and counter-pulls of diverse kinds to influence the decision-making. Vithal, (2001) said that the compulsions for yielding to either side are enormous and it reduces the governance to mere a farce. Good governance can stand up to the pressures only if we are able to bring in the elements of responsibility to the field of governance. It also requires commitment and inner strength. The civil servants working in the shadow of the political leadership often tend to learn the art of evading accountability and responsibility.

The gradual transformation of the predominantly rural society to the urban one, structural shifts in economy, liberalized market-based economic policies, globalization and information revolution has necessitated the need for a system of governance which is open and sensitive to the issues of economic development. There are many issues, which needs to be addressed so as to decide the system of governance, which will promote sustainable development. There has to be a smooth transformation from the old system of governance to a new, better system where roles of bureaucracy, business and civil society needs to be redefined. Accountability is at the center of good governance as without creating responsibility and accountability within a system, talking of participation, democratization and transparency and rule of law are meaningless. In the past studies, good governance or its failure has been directly linked to corruption, but efforts have not been made to analyze the reasons for corruption. We may attribute corruption to the statues of moral degradation of the society; poverty and lack of transparency, but these justifications for corruption are not sufficient as the core factor behind all this is mis-management and mis-governance. This mis-governance is the result of chaos created by our failures to fix responsibility and accountability for various
actions done during various activities. The moment people are held accountable for their action or inaction, the element of callousness, irresponsibility, and indecision will go.

There is a need to study the relevance of accountability for establishing good governance and analyzing the role of accountability with other elements of good governance.

The characteristics of parameters of Good Governance are essential to know if assessment of any authority towards good governance is to be measured. There are differences of opinion regarding what could be these parameters. It was considered appropriate to take the opinion of the stakeholders for fixing these parameters and then assess the performance of each agency of Delhi Government by assessing responses and reaction of all stakeholders. Various agencies have taken different initiatives towards improving administration and stakeholders can assess the performance of each Department to know the impact of these good governance initiatives towards improving Economic, Social and environmental conditions. Social audit or making an assessment of any activity or work done by any agency by stakeholders is true indication of the inclusion and empowerment of the citizens in Governance process. So the stakeholder's assessment or their perception about the good governance parameters, good governance initiatives and social audit is true indication of any successfulness of the process to achieve and provide better governance and administration in any state.

The focus of public administration today is on good governance so that public service delivery system in India could be made more efficient and effective Erosion of the organizational capacity for delivery services and lack of accountability on the part of public service is reducing the affectivity of the Indian system of governance. Clearly there is a mismatch between requirement, capacity and needs of the people. Public
organizations today are concerned with expenditures and attainment of physical targets rather than focusing on their impacts on the public and thus fail to meet the expectations of the public. A result oriented governance system should not only focus on public services but also on delivering such services in a more cost effective way and as per the needs of the citizens. Social audit and participatory approaches are required to assess the need and priority. Transparency, empowerment and decentralization are essential for responsive, effective and efficient governance system which works on consensus oriented, equality and inclusive development of society. Many good governance initiatives have been taken by government of Delhi, but change and transformation is required at each level. The assessment of the impact of these initiatives will pave way for formulating strategies of goods governance.

This study will help in comprehending and assessing the impact of good governance initiatives taken in the past few years by different agencies in Delhi. Such an assessment can also be used for evaluating changing roles and relationships of bureaucracy in respect of governance reforms and various initiatives being taken towards the development of Delhi. Initiatives in ICT and e-governance have also changed the working style in public sector and helped in making administration more transparent. This has shifted the balance towards democratic decentralization and self help initiatives. This study will explain that different characteristics or elements of good governance collectively lead towards achievement of ultimate goal of good governance. This study will investigate if accountability is the core issue in good governance and rest of the elements either lead to or emanate from accountability. The study will help in understanding the accountability, discover and list out the agents of accountability, which in turn will help in finding out
the means of accountability. It is not sufficient to know only the purpose of accountability or accountability to whom, but it is also important to know how accountability will be ensured. Development is acquiring a new holistic orientation, integrating economic aspects, economic elements and social process. This investigation on good governance will make it easier to establish as to what type of human capacities and capabilities we should try to look for or develop in public sector domain so that individual dignity and equality can be fostered and conducive environment is created for achieving sustainable human development. This may help in unfolding various issues concerning sustainable development and governance, role of accountability and transparency in welfare state and deriving suitable strategies for humane governance. These strategies for public service delivery will focus on new role of government and the bureaucracy, use of ICT in information sharing, communication and transactions, and decentralized governance and thus the study may help in making all the potent tools of efficient and effective public service delivery.

Aim of the study is also to develop a tool, which can be used to measure the impact of good governance initiatives taken by government of Delhi. Such an instrument can only be developed if the indicators of good governance are identified. It will not be correct to fix common indicators for all situations. These indicators are dependent on

i) Place

ii) People

iii) Priorities

iv) Perceptions
Every place has specific problems and requirements, which may not be common with other places. The choices and beliefs of the persons also vary due to geographical differences. Priorities and perceptions of stakeholders also differ. All the four P's i.e. People, Place, Priorities and Perceptions are inter-related and are also essential for assessment of good governance. Thus, the present study, in process of developing such instrument for evaluating performance, is in effect an effort to identify indicators of good governance, which in the opinion of stakeholders, can evaluate and assess good governance in the true sense as relevant to stakeholders.

2.4 Objectives of the Study

Specific objectives of the Study are

i) A comparative analysis of the policies and procedures of the different government agencies on certain identified indicators or characteristics towards improving governance system.

ii) To assess and analyze the impact of various Good Governance initiatives on the working conditions and acceptability by stakeholders.

iii) To assess and analyze the role of social audit for ensuring participation in decision making and improving accountability.

2.5 Hypotheses

1) There are differences in the policies and procedures of government agencies of Delhi state as perceived by stakeholders on 8 characteristics of good governance i.e. consensus oriented, participatory, follow the rule of law, effective & efficient, equitable & inclusive, responsiveness, transparency and accountability.
2) There is difference in the good governance assessment of different Delhi state agencies as perceived by different categories of stakeholders i.e. general public/citizens, political persons/elected representatives, legal professional/judiciary/advocates, bureaucracy/officials and media & communication professionals on 8 characteristics of good governance i.e. consensus oriented, participatory, follow the rule of law, effective & efficient, equitable & inclusive, responsiveness, transparency and accountability.

3) There is no difference in the good governance assessment of different Delhi state government agencies as perceived by the stakeholders of different age groups i.e. young adults (18-35 years), middle aged (36-55 years and elderly (56 & above years) on 8 characteristics of good governance i.e. consensus oriented, participatory, follow the rule of law, effective & efficient, equitable & inclusive, responsiveness, transparency and accountability.

4) There is no difference in the perception of the stakeholders of both the sexes on 8 characteristics of governance i.e. consensus oriented, participatory, follow the rule of law, effective & efficient, equitable & inclusive, responsiveness, transparency and accountability.

5) There is difference in the perception of the stakeholders on the assessment of the socio-economic & environmental impact on the lives of the people in state of Delhi resulted due to the good governance initiatives taken by different government agencies of Delhi state.

6) There is difference in the perception of the different categories of stakeholders i.e. general public/citizens, political persons/elected representatives, legal
professional/judiciary/advocates, bureaucracy/officials and media & communication professionals on the assessment of the socio-economic & environmental impact on the lives of the people in state of Delhi resulted due to the good governance initiatives taken by different government agencies of Delhi state.

7) There is no difference in the perception of stakeholders of different age groups i.e. young adults (18-35 years), middle aged (36-55 years and elderly (56 & above years) on the assessment of socio-economic & environmental impact on the lives of the people in state of Delhi resulted due to the good governance initiatives taken by different government agencies of Delhi State.

8) There is no difference in the perception of stakeholders of both the sexes on the assessment of socio-economic & environmental impact on the lives of the people in state of Delhi resulted due to the good governance initiatives taken by different government agencies of Delhi state.

9) There is difference in the perception of stakeholders on the assessment of the role of social audit in ensuring participation in decision making and improving accountability in governance of the different government agencies of Delhi state.

10) There is difference in the perceptions of different categories of stakeholder i.e. general public/citizens, political persons/elected representatives, legal professional/judiciary/advocates, bureaucracy/officials and media & communication professionals on the assessment of the role of social audit in ensuring participation in decision making and improving accountability in governance of the different government agencies of Delhi state.
11) There is no difference in the perceptions of stakeholders of different age groups i.e. young adults (18-35 years), middle aged (36-55 years) and elderly (56 & above years) on the assessment of the role of social audit in ensuring participation in decision making and improving accountability in governance of the different government agencies of Delhi state.

12) There is no difference in the perceptions of stakeholders of both the sexes on the assessment of the role of social audit in ensuring participation in decision making and improving accountability in governance of the different government agencies of Delhi state.