Chapter IV

Global Corruption and India: A Comparative Study
Corruption has grown to alarming proportions in public life and services. It exists both in the public and private sectors. Thus, it has spread its tentacles to different organs of government like the legislatures, the executive and the judiciary. It also exists in various non-governmental organizations, as well as at all levels of the political and bureaucratic hierarchies. By giving importance to public interest in terms of morality, economic development, equity and welfare, the chapter focuses on various connecting areas so as to understand the initiatives for retrieval by examining the reform process in the system of governance based on governance indicators in comparing India’s corruption level with select countries of the world.

To bring reforms in governance or to make it good or effective, political reforms must take place. When one talks about good governance in the context of India, the need for political reform occupies the most prominent place. In this connection, the single greatest problem plaguing Indian polity for more than a decade has been the instability of governments not only at the center but also at state level due to the failure of evolving effective and ideologically committed two party systems at the national level for obvious reasons associated with the proliferation of political parties. Multi-party pluralist democracy has become inevitable in view of the craving for political space by caste and ethnicity oriented factions. They cannot cease to exist. The resulting coalition experiment has altered the political fabric of Indian society to the extent that even dominant political parties like the Congress and the B.J.P., cannot dream of occupying the seat of power on their own individual strengths.

Political reforms cannot be completed without electoral reforms. In the election, the election commission should be authorized to disqualify a person found guilty of corrupt practices and having a criminal track record. Criminalization of politics and politicization
of both religion and crime have gone so deep and entrenched into the functioning of Indian democracy that it would be a Herculean task for people of proven integrity and honesty to enter the electoral processes and claim power. Under the circumstances, the Gresham Law, the bad driving the good from circulation, inevitably, operates in the political arena and the entire governance mechanism has gone into shambles leading to impoverishment of the poor and the weak.

Dismal Picture of Good Governance in India:

The Indian governance scenario during the last sixty two years is a gloomy one, rather uninspiring and dismal. If the first one or two decades after independence kindled some hope, it was extinguished thereafter. After six decades of independence, Indian society sadly finds that many of these goals still remain distant dreams. For, even now, nearly half of the Indian people are illiterate; more than one third live in abject and dehumanizing poverty, several millions suffer from debilitating ill health due to diseases and other causes; infant mortality rate continues to be very high, water scarcity is a major concern across the nation, and out of those living in urban areas, 30-40 per cent live in ugly slums lacking even the barest of civic amenities.

Poverty and unemployment are driving millions of younger people to become involved in crimes and anti social activities. Child labour abounds and the population is still growing at a high rate of nearly 18 million a year. From 361 million in 1951 the total population now stands at over 1000 million and India is poised to overtake China as the most populous country in the world.

The statistics given, mostly derived from official reports do not speak well of the quality of the governance. For bulk of the people, life continues to be hard, nasty, poor and
not worth living. Due to all these shortcomings and sufferings, India has a low economic and social ranking in the World community. Its international image is not quite up to the mark as it ought to be, considering its size, and rich natural and human resources. Obviously the resources have not been properly utilized and managed to give maximum possible beneficial results in lowering human sufferings, during these 62 years of “Swaraj”. The “Swaraj” appears to have lacked “suraj” or good governance. Political freedom has not yet brought freedom from poverty, hunger, unemployment and other sufferings to hundreds of millions of people.83

There is a visible mismatch between vision and mission, philosophy and practice, dream and reality. This unbridgeable gap is creating problems and frictions. In the meanwhile, the role of the government is undergoing a change. To-day in the age of micro-chips, multimedia and high technology, big governments are a liability rather than an asset. The time has come to reinvent small, down to earth, down to human needs government bound together in a web of shared interests, values, perspectives, objectives and targets. Democracy needs citizens not clients. Real democracy means real empowerment. Government is not business, it is service born in sympathy and empathy.84

Constitutional Provisions:

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84 Ibid, p. 113
Sixty two years ago India became independent to make a decisive fact about the “tryst with destiny”. The state’s philosophy and administration’s ideology immediately underwent a nodal and seminal change catapulting straight way into the area of ‘welfare’ from ‘warfare’ and simultaneously imparting a new dimension, direction and dynamics. A star, “Welfare State” was born with a planet termed “Development Administration”, revolving around it. That was during the five year period between 1947 and 1952, when the magical metamorphosis took place, with foundational developments taking concrete shape in the form of the establishment of a national government in free India, promulgation of the Republican Constitution, Central Planning Commission getting into the act of launching the First Five Year Plan, the first general elections based on Universal Adult Franchise, etc. They all focused on a people oriented, citizen friendly and people directed and democratically evolved objectives of the state. The lofty and liberal cultural civilizational ethics of this ancient country, rich in humanisational harmony and integration values, was correctly reflected and neatly enshrined in the Preamble to India’s Constitution in its Directive Principles of State Policy (Part IV), Fundamental Rights (Part III), Fundamental Duties (Part IV A), etc.\textsuperscript{85}

Though on paper and theoretically, India had a grandiose framework of ideas, the real state of life and governmental dispersion of the future vision and lofty missions that it had during the initial years after independence were lost by the way side. The government became paradoxically, a prisoner of its magnificent obsession and lost initiative, drive and direction. There were plenty of leaders, no doubt, but they were out there to pursue their own selfish ends, and promote and consolidate clannish interests. ‘People’ was the first thing they talked of and the last thing they bothered about. It was a sordid state of

\textsuperscript{85} Ibid pp. 27-28
deception and deceit, extraordinary example of hypocrisy and dishonesty and classic case of blatant betrayal of the people who, shattered in hope and battered by battles of life, suffered in silence and bled. In fact, administration deteriorated making “good governance” a mirage. The reasons of deterioration are clear in a visible spectrum.

From the point of good governance perspective, the possible reasons are:

- Evaporation of the spirit of national service;
- Ineffective Social Legislation and Land Reforms;
- Corruption at all levels;
- Population Explosion and
- Leadership failure and fracturing of political parties.

The problem with so many factors for assessing governance is that it becomes difficult to assess the overall quality of governance. A more practical approach is to have a lesser number of parameters so that the quality of governance can be measured more quickly and effectively. This will be useful in moving from governance as a buzz word to good governance as a reality.

**Focus on Governance--Present Context:**

As it has been already stated, the World Bank identified governance as an issue in the development debate. There are several reasons accounted for it. The first is the inefficiency in state owned enterprisers. In most of the third world countries, the public sector undertakings were incurring heavy losses due to their ineffective functioning.

Secondly, fiscal crises made countries unable to repay their debt burden. Thirdly, corruption is acutely paralyzing the economy and has become an obstacle for development. Fourthly, mismanagement of funds borrowed from the World Bank and other institutions.
In these countries, corruption is acute and as a result, resources are being misutilized. Fifthly, there were movements for democracies, as the authoritarian administrators in many of these countries were ruthless in the implementation of the reform packages without looking into their adverse effects on its population and economy. In order to make the governments ‘clean’ for the real utilization of the World Bank’s funded money and effective implementation of reform programmes, the World Bank started talking about good governance.

In addition to this, four factors can be identified which have influenced considerably the World Bank’s concern over governance issues. They are (1) The experience of structural adjustments lending, (2) The dominance of neo liberalism in the West (3) The collapse of Communist regimes, (4) The rise of pro democracy movements in the developing world and Eastern Europe.

**Good Governance in Indian Context;**

In the Indian context, the idea of good governance can be traced back to the third century B.C. when Kautilya in his treatise ‘Arthasastra’ proposed rules for the king-that the king’s happiness should lie in the happiness of his subjects, which means that the king has to work for the well-being of the common people. Later, the Mughal rule brought drastic changes in the governmental systems by combining Arabic administrative concepts (like governorship [Amir] as head of the military and police and treasurer [Amil] as the head of the revenue, finance etc.) with certain classical Indian Practices (Hindu Revenue System). Even during the British period, there were many acts like Act of 1857,

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1891, 1909, 1919, 1935 etc., where in administrative procedures kept on changing for the better.

After independence, in 1949, N. Gopalaswamy Ayyenger suggested to create an organizational and method division in the Central Government set up. A. D. Gorwala, in his report (April, 1951) stressed for clean, efficient and impartial administration. Similarly, P. H. Appleby, in his reports of 1953 and 1956, dealt with reforming the Indian Administrative System and he recommended the setting up of an O and M Organization in the Union Government and an institute of Public Administration. In 1964, K. Santhanama’s report dealt with corruption. L.K. Jha’s ‘The Economic Administrative Reforms Commission ‘(1983) felt the need for accountability, so that importance can be given to performance than mere adherence to rules and procedure. In 1993, the 73rd and 74th Amendments to the Constitution brought Three-Tier representative Governance at the district level and below so that people’s involvement in governance will increase.

In November 1996, there was a conference of the Chief Secretaries of the States/Union Territories, which was followed by a conference of Chief Ministers in May 1997 on “Effective and Responsive Administration”. These conferences recognize that governance has to extend beyond conventional bureaucracy to involve citizen and consumer groups’ activity at all levels, to empower and inform the public and the disadvantaged groups. The basic idea behind this was to ensure service delivery and programme execution through autonomous elected local bodies.

**Institutional Reforms for Good Governance:**

True good governance in India is a Herculean task. But, it is possible. The nation needs to chant the mantra ‘the only constant in life is change’. Most of the bad aspects
need to be reformed by the system. The changes should be on five fronts: political reforms, judicial reforms, administrative reforms, socio-institutional reforms and human reforms.

The first three involves system and sub-systems. The fourth involves the entire gamut of plural society and diversified institutions. And the fifth deals with man, his mind, his character and psyche, the world of the morals and values. Even if the first four battles are is extremely difficult, finally, the war can not be won, unless it is able to score a decisive victory in the fifth. Admittedly it is the most intricate, more time consuming, completely substantive and fully comprehensive. India committed the original sin by not attempting internal decolonization while designing a democratic super structure of the independent republic. It was a blunder of the highest magnitude – the west minister model is unworkable in India and it is not performing well.  

A new constituent assembly should be constituted, elected on the basis of adult franchise, which should write a new constitution providing for presidential model of government at union and state levels- a government fully federal and considerably decentralized, with a responsive and involved bureaucracy which also needs total overhauling. Regarding judicial reforms, reforms should be started from the top. Appointment of judges should be meticulously handled. Speedy justice is to be given to the masses at low cost which is a hallmark of good governance. Judgment should not be lengthy. Necessary arrangement must be made in the police culture to promote human rights. Coming to the administrative reform, which is the single most important instrument for good governance, it may be noted that the Indian Administrative System suffers from four major deficiencies: ideology-idiom incompatibility with consequential goal

87 Niranjan Pani, Op cit, p.112
derailment; structural gigantism bordering on hydra headed monstrosity, procedural jungle leading to functional blind alley, and massive population explosion.\textsuperscript{88}

**Institutional Reforms through Parameters of Good Governance:**

Good governance entails a number of parameters. They are prevention of cruelty, need for reforms in judicial process, need for economy, simplification and efficiency in the administration, need to implement ideas generated on administration reforms, need to change political culture, need to democratize/vitalize PRIs, need for womens’ empowerment, need of people’s participation through NGOs and Panchayats, and need for human rights promotion.\textsuperscript{89} All these factors are discussed below:

**Prevention of Cruelty:**

Good governance is directly related with prevention of cruelty. The time has come for prevention of cruelty and to improve the quality of governance by reducing governmental activities selectively in many areas. In fact there is a need for will to fight. Non-official bodies need to be associated in as much as possible in regulatory work to avoid harassment by corrupt of officials. Hordes of inspectors only vitiate the climate of integrity. In the concept of good governance, there is an equal balance between prevention of cruelty to human being.

**Need for Reform in Judicial Process:**

There are complaints of partisan approach in public dealings by public officials in matters like grant of bank loans, dealership of public sector undertakings, allotment of

\textsuperscript{88} Ibid, p. 113

\textsuperscript{89} Ibid, pp. 54-92
lands and houses, etc., Caste and community consideration also allegedly play significant roles in matters of public employment, grant of quotas and licenses, etc. There is no public confidence in a fair and just treatment by the administration. As a result, people felt frustrated and often knocked the doors of the judiciary for justice. Courts are burdened with millions of pending cases. The remedy lies not in appointing more judges but in rectifying the ills that badly affect the administration and give rise to grievances. The roots of injustice need to be tackled by preventive actions. Unjust administration creates a climate of crime. The expenses of legal remedy and long delays of the judicial process make it necessary for the people to take the law into their own hands.

**Need for Economy, Simplification and Efficiency in Administration:**

In India, today, more than 95% of the court cases related to violations of minor laws and hardly five per cent cases related to serious offences under the IPC. Most of the minor cases involved technical violations of laws and could have been summarily tried and disposed of. In reality, mobile courts could have dealt with thousands of these cases involving violations of Motor Vehicles Act, Food Adulteration Act, Cases of Public nuisance, etc. There was lack of rational approach in law enforcement. More magistrates were not, for that reason, considered necessary. The administration had to learn to do more with less expenditure and lesser use of man power. Complicated procedures of work needed to be rationalized and simplified. In a nutshell, economy, efficiency and simplification should be the buzz words for achieving good governance. Hence, one cannot deny that to achieve economy and efficiency is also the aim of Public Administration.
Administrative Reforms:

To respect ‘the dignity of the individual’ was one of the basic duties of government as laid down in the “Preamble” to the Constitution. Instead, citizens usually get rude behaviour, negative and unhelpful responses from the public officials particularly at lower levels where they constantly come in touch with them for their day to day problems. How to bring about improvements in the administrative machinery particularly at the cutting edge level has been the subject matter of study and inquiry of several official reforms committees and commissions during the last many years.

The Administrative Reforms Commission (ARC), headed by Morarji Desai (1966-70) made a comprehensive and wide ranging study of the administration and submitted 20 reports, which includes 581 recommendations. The commission considered the following areas.

- The machinery of the Government of India and its procedure of work
- The machinery for planning at all levels
- Centre-State relationship
- Financial Administration
- Personnel Administration
- Economic Administration
- Administration at the State level
- District Administration
- Agricultural Administration
- Problems of redressing Citizens’ grievances

Most of these reports had emphasized the desirability of greater decentralization of official work and powers to different lower levels of administration to expedite decision
making and to speeden the delivery system. Emphasis was laid on bringing the administration closer to the people and making it more transparent, open and accountable.

**Need to Change Political Culture:**

To put Indian democracy on the right track again, it is vital that more and more honest and dedicated individuals need to join politics and take active interest in the governance process of the country. The political parties have to take the lead in attracting good individuals into their folds. There is a need for the circulation of committed elites. There must also be stricter public security over the functioning of ministers and higher officials to prevent abuse of power by them. The Lokpal machinery needs to be put in position without further delay. Once the top layer of politicians and civil servants show good examples, the quality of lower level administration is sure to improve. Changing the political climate for the better through various political and electoral reforms, is the prerequisite for good governance and client-oriented administration.

**Need to Democratize and Vitalize PRIs:**

The lower level administration also needs effective democratization through the three tier, popularly elected Panchayati Raj Institutions (PRIs) at the district, block and village levels. These institutions for proper discharge of their functions have to be made financially viable. Being closer to the people they ought to be legally empowered to enforce many minor laws through their own agencies. Panchayat level Lok Adalats could also deal with minor civil and criminal disputes to relieve the higher judicial courts of their mounting load of cases. There should, of course, be proper supervision and guidance at the initial stages to the PRIs to ensure impartiality and fairness in their functioning. Many local development works could be entrusted to these bodies. In effect, a beginning has been
made in many states to hand over all developmental activities to PRIs. What could be additionally given to them are legal dispute settlement duties. They could also be empowered to give various kinds of legal certificates, i.e. birth, death, caste, marriage, character etc. The Panchayat should be entrusted with maintenance of peace and security in their respective areas. Administration in many respects should be self managed and closer to the people and at the door step.

Need for Women Empowerment:

Women who constitute one half of the world and without whose presence the survival of the world can never be imagined, have ironically, been going through, hell in a male dominated world. The Indian society has experienced a tremendous sociological change right from the age when there were some major ills in the society. By and by, changes have taken place in the society as change is the way of life. So it has shown its effects in the women’s roles too. But, since historical times, it has been a matter of pity that Indian society which has always been a male dominated society, has shown double standards towards women. But old times, during the so called Ram Rajya (the old form of good governance), women were considered to be equal to God as she is the mother of life. Since time immemorial women are trying to be independent and self dependent. They were also fighting against adverse circumstances which gave birth to today’s woman-who has opened new dimensions for herself during the 20th and 21st century.

Liberalization, Privatization, Globalization and Institutional Reforms:

India missed an opportunity to utilize the industrial age that ended in 1960 and the information age between the 1960s and 1990s. In fact, India has realized the information age acutely only when it entered into the process of globalization half-heartedly in 1991. In
the same year, the knowledge age dawned and witnessed a new plethora of international politics with the demise of Soviet Union, the fall of Berlin wall, the fading of the cold war and the new economic thrust for globalization through World Trade Organization (WTO), which emerged on January 1995 after the Uruguay Round of GATT. It should be noted here that due to the Structural Adjustment Programme (SAP) of the World Bank/IMF, India entered into the phases of both globalization (the corporate driven agenda for removing all barriers to profit) and localization (the people driven agenda for introducing ecological limits and social responsibility) without any serious homework. As a result, balancing the economic activities in a new environment has delayed India to face the globalization process effectively. However, investment opportunities in India have been in increasing since 1991.  

From the beginning, people were very critical about India’s access to globalization. In the latter stage, the opposition to the process was mellowed down due to the realization of the emerging new world. However, there are still opposition to the issues relating to trade, agricultural produces, the regulation of WTO and the role of Multinational Corporation (MNCs). Despite this, India goes ahead in implementing certain provisions of WTO by carefully protecting all products including the agricultural produces- from production to marketing, and accordingly generating support from many developing countries. While Indian economy shows the signs of improvement after its entry into the globalizing process, the improvement of agro economy is yet to be seen. Awakening the rural poor with their rich potential is, therefore, important to withstand the ongoing process


91 The Hindu, 28 January 2003
of globalization. It is also important to note the ground reality of rural India today, which has been getting developed as per government plan from 1952 when the first ever community development movement was launched.

The reasons for providing people with technological access on vital information for bringing good governance in society should be on the ground reality of the utility based on demand oriented economy of the rural poor not that of the market oriented one. Therefore, the globalization process set on the first track economy through structural adjustment scheme has to be utilized efficiently, first by serving the people of India without bothering too much for idealistic developments.

**Governance Indicators for Growth:**

Why is governance so important? In a market driven economy with competing players and minimal state intervention, governance plays a vital role for growth and social justice. Standing between the two is an administrative machine corroded by apathy and corruption. To be clearer, the governance subsidies fail to reach the poor, its schools fail to teach them and its rural clinics fail to treat them. UNDP, European Commission and World Bank, clearly and precisely describe the concept.

UNDP describes that “governance is the 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 rules, institutions and practices that set limits and provide incentives for individuals, organization and firms.” 92 European commission describes governance as that which concerns the state’s

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92 From the UNDP Strategy Note on Governance for Human Development, 2000
ability to serve the citizens. It refers to the rules, processes and behaviours by which interests are articulated, resources are managed and power is exercised in the society. The ways in which public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in the context”. World Bank describes “governance as the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced (ii) the capacity of the government to effectively manage its resources and implement sound policies and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them”.

What Are Governance Indicators Used For?:

There exists a plethora of governance indicators, which are used by governments, development agencies, non-governmental organizations, media, academic institutions and the private sector. The indicators are often intended to inform users on business investment, allocation of public funds, civil society advocacy or for academic research. From a development perspective, governance indicators can be used for monitoring and evaluation of governance programmes and projects. Governance indicators are also often used to establish benchmarks, objectives, targets, and goals in the development context.

For the measurement of growth and social justice, six components of governance are identified to facilitate it, Viz.

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93 Bhanoji Rao, ‘Governance is key to Growth and Social Justice’, The Hindu Business line, Tuesday, April 29, 2008
Voice and Accountability (VA): It measures the extent to which a country’s citizens are able to participate in selecting their government as well as freedom of expression, freedom of association and a free media.

Political Stability (PS): It measures the perception of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means including domestic violence and terrorism.

Government Effectiveness (GE): It measures the quality of public service, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation and the credibility of the government commitment to such policies.

Regulatory Quality (RQ): It measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

Rule of Law (RL): It measures the extent to which agents have confidence in and abide by the rules of society and in particular the quality of contract enforcement, the policies and the courts as well as the likelihood of crime and violence.

Control of corruption (CC): It measures the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by the elite and private interests.
VA = Voice and Accountability, PS = Political stability, GE = Government Effectiveness, RQ = Regulatory Quality, RL=Rule of Law, CC = Control of Corruption.

(Source: www.govindicators.org)

The six indicators of governance for 2006 for three selected major powers are shown in Graph 1 in a comparison with India. The estimated value for each indicator ranges from -2.5 (worst score) to 2.5 (best). The graph shows the six indicators and
arranges the countries in order of the average. India has a negative average value, though happily for the country, its rank among the shown countries speaks well of the considerable mileage.

India has a relatively good score (0.35) on voice and accountability though it is far from the best, while Japan (0.91), Russia (-0.87) and United States (1.08). Likewise, on political stability, India scores negatively i.e. -0.84, while for Japan it is 1.11, Russia -0.74 and United States 0.31. On Government Effectiveness India’s score is -0.04, Japan’s 1.29, Russia’s -0.43 and United States’ score is 1.64. About Regulatory Quality, India’s score is -0.15, Japan’s score 1.27, Russia’s score -0.45 and United State’s score 1.47. With regard to Rule of Law, India score good i.e. 0.17 compared to Japan (1.4), Russia (-0.91) and United States (1.57). And finally on Control of corruption India also scores negatively i.e. (-0.21), while Japan (1.31), Russia (-0.76) and United States scores relatively well i.e. (1.3). Citizens argue and protest, no doubt, but perhaps all that has not given the society good governance. In fact, despite the public voice, those responsible for governance seem to be able to get away with a poor showing on indicators such as political stability and regulatory quality.

It is evident from graph 1, that the United States and Japan have positive scores for all the indicators. After them, India is relatively better than Russia, as Russia scored negatively for all the indicators. Compared to all the indicators of all the countries, India scored positively in voice and accountability and rule of law, and scored negatively for political stability, government effectiveness, regulatory quality and control of corruption. Though India has a negative average value, its rank among the shown countries speaks well of the considerable mileage. If India scores positively in the four indicators like political stability, government effectiveness, regulatory quality and control of corruption,
then definitely India will not only get a good rank but the governance process too will function effectively and it will help a lot in the development of the nation.

**GRAPH 2 : COMPARISION BETWEEN INDIA AND SOUTH ASIAN COUNTRIES (2006)**

“VA = Voice and Accountability, PS = Political stability, GE = Government Effectiveness, RQ = Regulatory Quality, Rule of Law, CC = Control of Corruption”

(Source: www.govindicators.org)

The six indicators of governance for 2006 for three selected South Asian countries are shown in Graph 2 in comparison with India. The estimated value for each indicator ranges from -2.5 (worst score) to 2.5 (best). The graph shows the six indicators and
arranges the countries in order of the average. India has a negative average value, though, its rank among the shown countries speaks well of the considerable mileage.

India has a relatively good score (0.35) on voice and accountability though it is far from the best, while Pakistan (-1.17), Bangladesh (-0.52) and Sri-Lanka (-0.35) do not score well. Likewise, on political stability, India scores negatively i.e. -0.84, for Pakistan it is -1.92, Bangladesh -1.6 and Sri-Lanka -1.61. On Government Effectiveness India’s score is -0.04, Pakistan’s score -0.51, Bangladesh’s score -0.81 and Sri-Lanka’s score -0.36. About Regulatory Quality India’s score is -0.15, Pakistan’s score -0.39, Bangladesh’s score -0.87 and Sri-Lanka’s score -0.11. Regarding Rule of Law India’s score is good i.e. 0.17 compared to Pakistan (-0.82), Bangladesh (-0.86) and Sri-Lanka (0.01). And finally on Control of corruption, India scores negatively i.e. (-0.21), while Pakistan (-0.93), Bangladesh (-1.29) and Sri-Lanka also don’t score well i.e. (-0.29).

Graph 2 depicts the score of South Asian Countries like India, Pakistan, Bangladesh and Sri-Lanka. Except India, all other three countries scored negatively for all the governance indicators. For India, the two indicators, voice and accountability and rule of law are positive and four indicators like political stability, government effectiveness, regulatory quality and control of corruption score negatively which lead to corruption in the country. Also it castigated corruption as anti-development, anti-poor and anti-national. Now-a-days it is apparent that the general public in India is apathetic to corruption. Instead of reporting corruption, they rather put up with it as long as they can cope with it. People generally fear the consequences and reprisal of those against whom they report. Those who dare have often faced more harassment and ostracism as the corrupt have a tremendous ‘biradri’ or tribalism to protect each other. And these are more in number and enjoy the protection of powers that be. From this it is clear that all the South Asian Countries should
give importance to all the indicators not for better governance but for the development of the nation.

**GRAPH 3: COMPARISON BETWEEN INDIA AND CHINA (2006)**

![Graph comparing governance indicators between India and China]

“VA = Voice and Accountability, PS = Political stability, GE = Government Effectiveness, RQ = Regulatory Quality, Rule of Law, CC = Control of Corruption”

(Source: www.govindicators.org)

The six indicators of governance for 2006 for China are shown in Graph 3 in comparison with India. The estimated value for each indicator ranges from -2.5 (worst score) to 2.5 (best). India has a relatively good score (0.35) on voice and accountability though it is far from the best, while China’s is (-1.61). Likewise, on political stability, India scores negatively i.e. -0.84, while China scores -0.37. On Government Effectiveness, India’s score has not much difference with that of China’s i.e. -0.04 and -0.01 respectively.
About Regulatory Quality, both India and China score negatively i.e. -0.15 and -0.19. Regarding Rule of Law, India scores better i.e. 0.17 compared to China -0.4. And finally on Control of corruption India also scores negatively i.e. (-0.21) while China scores (-0.53). In fact, despite the public voice those responsible for governance seem to be able to get away with a poor showing on indicators such as political stability and regulatory quality. Also India secures better rank than China with regard to comparison of all governance indicators and their measurement.

As it is evident from graph 3, China scores negatively for all the indicators, while India scores positively for two indicators and negatively for four indicators. Political stability, government effectiveness, regulatory quality and control of corruption, for these four indicators, the scores between the two are close, though it is negative. In the case of voice and accountability and rule of law, the score is good and positive for India and highly negative for China. So, from graph 3, it is apparent that all governance indicators capture the subtleties and intricacies of national situations, in a manner which enables global, value-laden comparison. In contrast, using just one indicator could very easily produce perverse assessments of any country and will rarely reflect the full situation. Thus, the substantial margins between the two are not unique, but in all the cases it is pervasive with reference to all cross country comparisons of governance. One of the underlying assumptions of the measurement of governance indicators is that policy change should be predictable and responsible for prevailing upon both economic and political conditions.

Rapidly rising attention to the quality of governance in developing countries is driving explosive growth in the use of governance “indicators” by international investors, donors of official development assistance, development analysis and academics. The study helps both users and producers of governance indicators to understand the strengths and
weakness of the best and most widely used indicators, helps them find their way through the available datasets and shows how governance indicators tend to be widely misused both in international comparisons and in tracking changes in the quality of governance in individual countries. It also explains recent development in the supply of governance indicators, arguing that while there will never be one perfect governance indicator, the production and use of more transparent governance indicators will better serve the needs of users and developing countries alike.

**Transparency International and Corruption Perception Index:**

Transparency International is a global civil society organization leading the fight against corruption. Through more than 90 chapters world wide and an international secretariat in Berlin, Germany, it raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement measures to tackle it. In essence, Transparency International (TI) was formed in May 1993 and has the support of government and leading individuals in both developing and developed countries. Its international focus is on corruption, international business transactions and forging of an international solidarity movement for the various national chapters which are being framed around the world to fight corruption at the domestic level. The organization does not play an investigative or ‘exposure’ role, but monitors the functioning of institutions designed to counter corruption and works to improve their effectiveness. Transparency International corruption perception index (CPI) is an initiative taken by the Berlin based international Non-governmental Organization, TI, together with Dr Johann Graf Lambsdorff, an economist with the University of Goettingen. The index began in 1995 and it appears annually. Here, the researcher has collected the data from the
index from 1999 to 2008 and makes a comparison of China, three SAARC countries, three developed countries, three Scandinavia countries and three East-Asian countries.

What Is Index?:

The index is a “poll of polls”, representing the average scores which individual countries have been given by international businessmen and financial journalists when polled in a variety of contexts. It is an assessment of the corruption level of any country as made by TI. Rather it is an attempt to assess the level at which corruption is perceived by businessmen as impacting on commercial life. To the extent that any country has a problem with its ranking, this lies not with this index but rather with the perception that businessmen polled apparently have of that country. Their perceptions may not be a fair reflection on the state of affairs, but they are reality. It is this reality that the index seeks to assess.

Figure 1: China-India CPI Comparisons
Corruption Perception Index by Transparency International from 1999-2008

Higher scores indicate lower levels of perceived corruption. After 1998 CPI scores were reported to just one decimal place. Source: Transparency International, 1999-2008. Online at http://www.transparency.org/policy_research/surveys_indices/cpi (Viewed 7th July 2009)

How corrupt are India and China? Available evidence (Figure 1) does not suggest a distinctly superior performance by either. To judge by the CPI, most Asian states have significant corruption; India and China, while not the worst cases, are not perceived favorably in terms of corruption control either. Democratic India has actually fared somewhat worse over the years. A more detailed China-India comparison can be had by examining their Transparency International Corruption perception Index scores over the years. CPI scores cannot be used to track changing levels of corruption over time. Among other things, the scores are influenced by the number and identity of other countries in a given year’s index. Still, neither country has been perceived in particularly favorably terms in annual rankings since the beginning – nor, to be fair, has either one been rated at the bottom of the figure. As the figure shows the best year for China is 2008 (score is 3.6) and the worst year is 2000 (score is 3.1) while the best year for India is 2007 (score is 3.5) and the worst years are 2001 and 2002 (score is 2.7). From 1999 to 2008, India was rated as being at least marginally more corrupt than China.

In addition, why do countries have different levels of corruption? Three factors are responsible for this. Firstly- greater government intervention in the economy is associated with higher levels of corruption. Secondly- the relationship between democracy and corruption is polynomial. Democracy does not inhibit corruption and countries in transition from authoritarian regimes to democracies have higher levels of corruption. Thirdly-
countries with faster developing economies tend to have higher levels of corruption. Does a lower level of development account for India’s somewhat poorer scores? Extensive corruption is by now widely associated with development problems. Might those asked to judge India fall back on the notion that “corruption hurts development”, India is less developed, and therefore must be more corrupt”. Still, even after six decades of nearly continuous democracy, India is not seen as being fully successful in terms of corruption control.

Figure 2: CPI Scores for SAARC Countries
Corruption Perception Index by Transparency International from 1999-2008

Higher scores indicate lower levels of perceived corruption. After 1998 CPI scores were reported to just one decimal place. **Source:** Transparency International, 1999-2008. Online at http://www.transparency.org/policy_research/surveys_indices/cpi (Viewed 7th July 2009)

All the countries in the world, rich and poor, are vulnerable to corruption, so corruption is not a development issue at all. Corruption is like a tree with branches of immeasurable length…; they spread everywhere. All countries are vulnerable to corruption, which stems from human greed, a characteristic found in all nations. The debate raised a range of issues about corruption and its impact on the lives of the people of South Asia, particularly the poorest and the most vulnerable. Figure 2 here examines how corruption affects countries and their political, economic and business stability.

**SAARC** -- Certain aspects of India's relations within the subcontinent are conducted through the South Asian Association for Regional Cooperation (SAARC). Its members are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Established in 1985, SAARC encourages cooperation in agriculture, rural development, science and technology, culture, health, population control, narcotics, and terrorism. Figure 2 shows and also makes a comparison of the corruption level in India, Sri Lanka, Pakistan and Bangladesh commissioned by TI's national chapters. It is clear from the figure that score is increasing as the corruption level is decreasing. However, the score for Bangladesh for first two year (i.e. 1999 &2000) is not in the figure as the score was very less. But from 2001-2008, the best year for Bangladesh is 2008 and the worst year is 2001. Likewise, for Pakistan, the worst years are 2004 & 2005 and the best year is 2002. For Sri Lanka the worst year is 2006 and the best years are 2001 & 2002. Finally, for India the worst years are 2001 & 2002 and the best year is 2007. An analysis of the nature
of corruption finds that a lack of accountability and monopoly power are quoted as the major factors for contributing corruption.

An assessment of change overtime, in terms of the institutions deemed to be most corrupt, brought the effectiveness of government’s efforts to fight corruption and the proportion of citizens paying bribes. However, from figure 2, it is perceived that political parties are the single most corrupt domestic institution, followed closely by civil service. As a result, India and Sri-Lanka are close with regard to margin in points while both are having big differences when compared with Pakistan and Bangladesh. Governments are considered to be ineffective in the fight against corruption—a general notion that has remained worryingly consistent in most countries over time.

The result is that key institutions in society, in particular institutions central to the integrity and accountability of government and for guaranteeing people’s rights, are compromised. There can be little doubt that corruption undermines the legitimacy both of the government and those who govern in many countries. It can be understood that the last couple of years has seen very little change in checking corruption. This is a wake up call for anti-corruption activity.

**Figure 3: CPI Scores for Developed countries**
Corruption Perception Index by Transparency International from 1999-2008

Higher scores indicate lower levels of perceived corruption. After 1998 CPI scores were reported to just one decimal place. Source: Transparency International, 1999-2008. Online at http://www.transparency.org/policy_research/surveys_indices/cpi (Viewed 7th July 2009)

Figure 3 shows the CPI scores for three developed countries i.e. Japan, United Kingdom and USA and a comparison is made with the scores of India. The figure shows that all the countries achieved good score from 1999 to 2008. There is also not much difference in the countries for securing their scores. Anyway compared to three developed countries i.e. Japan, United Kingdom and USA, India’s score is very less. For Japan the best year is 2006 (score 7.6) and the worst year is 1999 (score is 6.0). For United Kingdom the best years are 2002 and 2003 (score 8.7) and the worst year is 2008(score 7.7). For USA, the best year is 2000 (score 7.8) and the worst year is 2007 (score 7.2). Likewise for India, the best year is 2007 (score is 3.5) and the worst years are 2001 and 2002 (score is 2.7). So it is clear from the figure that among all the countries, United Kingdom has reasonably secured good score than USA, Japan and India respectively. Though Japan and USA have little difference with due regard to scores of United Kingdom, but India is far behind these countries. So India has to give prime importance to various reforms by which it will not only achieve good scores and will be nearer to these three countries but which will help India in being successful on checking the corruption level.

By analyzing the figure, it is understood that political parties are perceived to be the most corrupt institution for United Kingdom, political parties and civil service for India, parliament/legislature for USA, and public officials/civil servants for Japan. As for India, it is clear that electoral and political systems in India were the major sources of corruption. So, it is clear from the graph that developed countries are in a far better position in reducing corruption when compared to India. Why is it so? Because, USA and UK
constitutes separate and special institution known as ‘anti-corruption commission’ and also it functions effectively. For Japan, the cause is it uses tricks, techniques and more importantly the technology, by which the country is able to score well and gets a good rank. All these factors never work for India and the important thing is that everything in India is put in pen and paper but not in reality; everything is in thought, not in action.

Corruption is a global problem that affects all countries. It is probably true that wherever you find people you will find at least some level and some form of corruption. Corruption therefore requires strong global action and cooperation.

**Figure 4: CPI Scores for Scandinavia countries**

![CPI Scores for Scandinavia countries](http://www.transparency.org/policy_research/surveys_indices/cpi)

**Corruption Perception Index by Transparency International from 1999-2008**

*Higher scores indicate lower levels of perceived corruption. After 1998 CPI scores were reported to just one decimal place.*  
Corruption is perceived to be pervasive in so many countries like Bangladesh, Nigeria, Paraguay, Myanmar, Tajikistan, and Indonesia - countries with a score of less than 2 in the Transparency International 'Corruption Perception Index'. Countries with a score of higher than nine, with very low levels of perceived corruption, are rich countries, namely Finland, Iceland, Denmark, New Zealand, Singapore, Norway and Sweden.

Figure 4 shows the CPI score of Norway, Sweden and Denmark and compared with India’s score. Sweden and Denmark always score more than nine while Norway always scores more than seven and India is far below them i.e. always more than two. The best year for Norway is 2000 (score 9.1) and the worst year is 2008 (score 7.9). The best years for Sweden are 1999 and 2000 (score 9.4) and the worst year is 2001 (score 9.0). Likewise for Denmark the best year is 1999 (score 10.0) and the worst year is 2008 (score 9.3). For India it is quite far from them as the best year is 2007 (score 3.50) and the worst years are 2001 and 2002 (score 2.7).

By looking at figure 4, perception of corruption in key sectors over time for all the Scandinavian countries are business/private sector while for India it is the political party. From the figure, it is clear that the scores secured by Scandinavian countries are far above India’s score. Why do Scandinavian countries exude such high confidence in their governance? It is primarily because these governments have a strong anti-corruption management programme. The establishment of an independent commission against corruption which carried out relentless operations against cases of corruption and emphasis on preventive measures by starting a corruption prevention department went a long way in bringing systematic change in the practices and procedures of various public offices which
in general other countries provided the opportunity for unscrupulous elements to indulge in corruption.

It is not that preventive vigilance was not thought-of in India. The Santhanam Committee which was set up in 1963 by the government of India to suggest measures to mitigate corruption had emphasized that corruption can not be eliminated or even significantly reduced unless preventive measures are planned and implemented in a sustained and effective manner.

Anti-corruption measures in this country have primarily been one of ‘fire fighting’ and punitive rather than preventive. Further, the anti-corruption agencies that were entrusted to do this job were ineffective as they did not posses the required autonomy and have been manned by officials who often succumb to the political masters or may have been of questionable integrity.

Rich countries must provide practical support to developing country governments that demonstrate the political will to curb corruption. In addition, those countries starting with a high degree of corruption should not be penalized, since they are in the most urgent need of support.
Corruption Perception Index by Transparency International from 1999-2008

Higher scores indicate lower levels of perceived corruption. After 1998 CPI scores were reported to just one decimal place. **Source:** Transparency International, 1999-2008. Online at http://www.transparency.org/policy_research/surveys_indices/cpi (Viewed 7th July 2009)

Asia is well-known, publicised and often criticised, as one of the regions of the world where corruption is endemic – part of daily life everywhere. This is perceived, particularly by self-righteous Western observers as a 'bad thing' which can never be justified or defended, and must be ended outright. But 19th century British historian Lord Acton (1834-1902) was referring to Europe rather than Asia when he made the famous
quote "power tends to corrupt, and absolute power corrupts absolutely". Politics may have changed in Europe (and the West), but corruption still exists – often in cleverly disguised or 'legal' forms.

The results of CPI score secured by the countries ranked by Transparency International will be surprising to many. They found less corruption in Asian nations like Singapore and that found others than in many countries from the West. Here, in Figure 5, the top scorer is Singapore which has always scored more than nine and the best years for it are 2005 and 2006 (score 9.4), the worst years are 1999 and 2000 (score 9.1). For Malaysia which has always scored more than four, the best year for it is 2003 (score 5.2) and the worst year is 2000 (score 4.8). For Thailand which has always scored more than three, the best year for it is 2005 (score 3.8) and the worst years are from 1999 to 2002 (score 3.2). Compared to these three countries, India which has always scored more than two, finds the best year 2007 (score 3.5) and the worst years are 2001 and 2002 (score 2.7).

By looking at figure 5, the key sectors for corruption in Singapore is business/private sector, for Malaysia and Thailand, it is political party and for India, the key sectors are political party and civil servants. For countries like Singapore, Malaysia and Thailand, separate anti-corruption commissions are set up and special anti-corruption mechanism programmes are also implemented. But for India, though some committees (for Example- Santhanam Committee and so on) are formed, they found anti-corruption measures are punitive rather than preventive. Most important thing for India is, everything is only thought, not in action. Apart from this, though some committees are formed much before the other countries formed it, in India, over the years there has been a slackening in the internal preventive vigilance mechanism. And state governments never even thought of this concept in any of its offices and institutions.
There are many more, less well known or publicised cases in Asia and even more so in Africa. Sadly, most of the efforts of genuinely public-spirited individuals and organisations that draw attention to corruption and misuse of their countries' resources and try to promote political change and improvement to enhance the lives of the majority of their populations, especially the underprivileged and poor, are still overwhelmed by these powerful entities.

Corruption starts at the top and filters down to the lowest rung of the ladder. Benefits move in an upward direction. The 'public' are aware of it and complain about it; politicians make promises to reduce corruption, but it's only to win votes at elections. A few knuckles are sometimes rapped as a token gesture, somewhere down the line, but at the end of the day, little changes.

In the above respect, apart from being impractical in some cases and virtually impossible in others to eradicate completely, certain forms of 'corruption' can be of benefit to many, both 'giver' and 'receiver', with little or no effect to others or a country as a whole.

While everybody is proud of India’s democracy, the researcher finds that this democracy is based on corruption. Why is it so? Because, every political party needs funds and every political party collects money in cash which is mostly black money. This means that black money which is the oxygen for corruption is the life blood of financing the political process of the country. Political corruption leads to a vicious cycle of business corruption, bureaucratic corruption and criminalization of politics. Hence this ‘system’ itself is based on corruption. When it comes to government policies too anyone can find that many a time they encourage corrupt behaviour or reward corrupt behaviour. Can the system be changed? Is there a way out? There is, if everybody will able to change the
character of the people. It is worth recalling at this stage to think about national character, which is the key stone on which rests the fate and future of a nation’s public affairs.

**Impact of Globalization on Governance:**

India cannot remain unaffected by the global trends leading to structural change. It is essential that owing to economic crisis, the nation should limit the role of the state primarily to the core functions that cannot be performed by the market. It could be security, law and order, social services, creation of infrastructure and macro economic management, etc. It must strengthen the existing ones and set up new autonomous regulatory agencies with quasi judicial powers in order to ensure that the functioning of private units are regulated in social interest. All functions that do not involve formulation of policy should be given to execute agencies, co-operatives and non-governmental organizations with a caution that these autonomous bodies should play a supplementary and complementary role to other public organizations. This would reduce the size of public bureaucracy and bring in value for money.\(^94\)

With debut of computer and information technology in governmental functioning, steps are sought for revamping office management system with a better system of record keeping, movement of files, space utilization and adoption of other available means of automation. Public offices can be made more effective and efficient through the system of computerized information system. Greater delegation of powers and level jumping can also lead to greater efficiency. Simplification of office procedure, standardization of job output and introduction of appraisal system would help in boosting efficiency. Performance

\(^94\) Niranjan Pani, Op cit., p. 98
budgeting and zero base budgeting along with efficiency–cum-performance audit would also ensure greater accountability.\footnote{Ibid, p. 99}

The World Bank first initiated the idea of ‘governance’ in late 1980’s and since then there have been lots of debates about the concept. When the World Bank started to talk about ‘governance’, it was a situation when many of the reform programmes that were initiated during 1980’s were realized to be failures. Further it was a recognition that political reforms alone would not work. In order to carry out political reforms successfully, it is important to have efficient and adequate government infrastructure in a country, as these structures were responsible for the implementation of new set of policies in a country. Thus in the development discourse, reforms in governance became a part of the socio-political reforms package.

The agenda of provision of good governance meant addressing the issues of strengthening the legal framework, active involvement and people’s participation through civil society organizations, corruption, and increase in the degree of accountability and responsibility on the part of the public officials and introducing transparency in the functioning of the government. Governance reforms were seen as the main policy instruments for a number of international and domestic aid agencies. Under the rubric of ‘governance reforms’ there are varied programs, which range from anti corruption to those for promotion of civil society.

**Recent Initiatives and Developments:**

The 1990s saw the emergence of a new model of public sector management called as ‘new public management’. The classical public administration based on Taylor’s
scientific management and Weberian model have emphasized on division of work, specialization, rule orientation, impersonality, rationality, neutrality and anonymity in public services. These requirements are considered not only essential for good governance but also are important for sustainable human development.\textsuperscript{96} Similarly, new public management focuses on management, (performance appraisal and efficiency) not policy. It deals with converting public bureaucracies into agencies which are concerned with each other on a user pay basis. It also uses quasi market and contracting out to foster competition. It is a style of management which aims at cost cutting, reducing public expenditure and a style of management which emphasizes on out--put and provides monetary incentives to increased performance and empowering managers. No doubt this will help a lot to achieve good governance.

In post independent India, there had been two major landmarks in the process of our governance, i.e. constitutionalism and planned economic development. The Indian constitution is considered as the cornerstone of social revolution. It has been the major endeavour of the then leaders to secure for citizens social, economic and political justice, liberty, equality, dignity of individuals and unity and integrity of the nation. To attain these objectives, a planned economic development was adopted to raise the standard of living and to open new opportunities for the people of India to attain a rich and varied life. Again emphasis was laid on politico-administrative set up as a prerequisite to successful implementation of the plan document.\textsuperscript{97} The prerequisites are the following,

- Large measure of agreement among the members of community as to the ends of policy

\textsuperscript{96} Ibid, p. 93  
\textsuperscript{97} Ibid, p. 96
- Effective power based on active cooperation of citizens; and
- Efficient administrative set up with personnel of requisite capacity and quality.

India’s administrative system was designed at the dictate of colonial regime. Consequently, there had been a significant endeavour to bring about structural changes in the administrative set up to fulfill the aspirations of the people as enshrined in the constitution and plan documents. However, reforms towards introducing ‘new public management’ during the last 62 years have been rather ad hoc incremental and slow.\(^\text{98}\) To conclude, the application of ‘new public management’ helps putting in to practice the concept of good governance. During the last sixty two years, in India many reforms have been completed. A large number of suggested reforms have not been put into action. It is high time especially at the beginning of 21\(^{\text{st}}\) century to put into operation the nuts and bolts of good governance.

In other words, the fate of a nation depends on its people. India has more natural resources than Taiwan, Japan or Singapore. But, those countries are richer and economically more advanced. Why is it so? It is because ultimately the wealth of a nation depends upon its people and their performance. It is the quality of the people and their skills that will help the country make progress. If character based on values like integrity, helpfulness, love and corrupt are not there, nations which may progress economically temporarily may ultimately stand to lose. The nation if it has to progress, has to have good people. In this age of globalization, everyone including the World Bank recognizes that there is need for observing values. Honesty is the best policy- is a truth that is being rediscovered in the 21\(^{\text{st}}\) Century.

\(^{98}\) Ibid, p. 97
In addition to this, to tackle the problems of poor governance, the government puts emphasis on sensitivity, transparency and accountability in many facets of working of state machinery which not only achieved the credibility of Governmental institutions but also creates faith and confidence among the people. The most important aspect of good governance is Public accountability. Accountability should not be confined to functioning of public organizations but, it should also become an integral part of the broader aspect of governance process in the society.

**Accountability for Result and Action:**

The best way towards enforcing accountability is to insist an outlay/outcome budgeting i.e. to see whether the intended budget allocation has been actually made or not, what is the outcome of result on the ground. One more attempt towards enhancing accountability is the right to information. Passing of this legislation to have access to information regarding the functioning of public agencies will put a lot of checks and balances to improve governance.\(^9\)

The Right to Information Act (RIA) was passed by parliament on 15\(^{th}\) June 2005 and came fully into force on 13\(^{th}\) October 2005. Information disclosure in India was hitherto restricted by the Official Sectors Act 1923 and various other special laws, which the new Right to Information Act now relaxes. Parliamentary democracy at the grass root level will help to monitor and evaluate the way in which the projects are implemented. The Right to Information Act has created awareness among the people that they have the real power in their hands to change effectively. But the state of governance must be so clean and transparent that RIA becomes really significant.

\(^9\) C Ranga Rajan, Seventh D.P. Kohli Memorial Lecture on Economic Growth and issues of Governance, 1st June, 2006, New Delhi
Summary:

By describing the governance indicators and corruption level, the chapter shows that many countries are making progress in governance and anti-corruption, over the past decade. It also reveals that many countries around the world failed to make such developments. The chapter not only highlights the serious challenges that remain for developed, developing and underdeveloped countries alike, but also draws attention to the well-established link between better governance and improved results. It is stated in the chapter that most of the countries are recognizing and responding to governance challenges and are showing strong improvements that reflect concerted efforts by political leaders, policy makers, civil society and the private sector. The chapter also clearly mentions that current governance standards have plenty of rooms for development in many industrialized countries and emerging economies.

In essence, improved governance strengthens development and not the other way around. When governance is improved, automatically it leads to the improvement of living standards, and reduces the obstacles for development. Over the past decade 1998-2008, countries in all regions have shown substantial improvements in governance, even if at times starting from a very low level. Measuring governance is difficult and all measures of governance are necessarily inaccurate to a certain extent. When there is commitment to reform, improvements in governance can and do occur. With this analysis and observations, the next chapter concludes the present study.