Governance and Human Development

I.   Changing Paradigms of Governance

1. Development and growth, per se, are necessary but insufficient for achieving equitable and sustained human development. India is now poised to move up the growth curve speedily. U.P. has to emulate that pursuit much more vigorously to catch up with the nation. But that calls for good political management, good economic management and good civic management. The invariable concomitants of poor governance are corruption, poverty, marked economic inequities, social disharmony and low human development. World over public management (read governance) paradigms have undergone remarkable shifts. A new public administration philosophy has emerged in recent decades with the broad aim of making governments and their agencies and institutions open, transparent, adaptable, responsive, efficient, effective and accountable. Organizational pluralism, public order, strengthening of institutions, public – private partnerships, strong constitutionalism, empowerment of people in equitable modes, ensuring of entitlements, sound financial management, democratic and administrative decentralization, voluntarism, health and education for all, induction and use of most modern technologies and affordable and prompt justice dispensing systems – these, among other things, are some of the important components of the emerging public management model.

2. The link between good governance and successful growth-cum-equity-oriented economic and social development has become increasingly evident through research and vast observational data. Whatever be the political or economic choices made by the state, good governance is the *sine qua non* of socially just and economically progressive human development.

What is Governance?

3. According to UNDP, governance is defined as a complex of mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences. The World Bank has struck a somewhat different note on this issue. According to world bank, governance is a way in which power is exercised in the management of economic and social resources of a country, notably with the aim of achieving development. The essential aspects of governance are: (a) type of political regime, (b) authority exercising processes for achieving chosen social and economic goals and (c) capacity of the governmental system to formulate policies and have them effectively implemented. It may be remembered that the term governance here is being used in public service and public development contexts. It is a wide ranging concept that includes relations between elected representatives, officials and citizens, the setting up and achieving of socio-economic goals, resources mobilization (human, material and financial), expenditure efficiencies, providing of the delivery of services, ensuring security of people, monitoring, access, redressal, empowerment and accountability at all levels, and, specially, help to the weak and the economically handicapped in all enabling ways.

Governance and Poor Developing States

4. The notion that too much of government is not good does have merit but that by no means is the whole story. Prescriptions cannot be the same for all countries. Let us take here the clear example of poor and developing states. The social responsibilities of governments in such states, where poverty obtains in a considerable measure, where literacy rates are low, where people's health and nutritional status is poor, where very marked economic and social disparities exist, and where democratic traditions have yet to get positively embedded at the grass root levels, are far more pervading than, say, in advanced, developed democracies. Good government, in such cases, does not necessarily mean less government. What is certainly needed is good governance. Here, of course, a caveat may be added. Governments need not do those things that people can do better by themselves. The essential duties of a government are to provide security, empowerment, voice, access and redressal to its citizens in open and accountable ways, ensure peace and order, create conditions for acquisition of knowledge and skills and their productive applications, provide for people's good health, for employment and entrepreneurship and for equal opportunities of advancement. Governments are expected to implement what is called the social contract and deliver it at economic costs, efficiently, humanely, without discrimination and within determined time frames. Unfortunately, governments often tend to become distant, sluggish, vast and much layered, proliferating and hierarchical organizations, with top-down work culture. They become secretive, more procedure and rule bound and less result oriented. They are subjected to pressures, manipulations and political compulsions. In the process they become less responsive, costly and poorly performing. The critical question is how can

governance be made performing, caring, equity-led, open and outcome – oriented. These are the important questions that need to be asked and answered.

International Debate

5. Nearly two and a half decades ago, when the so-called Washington Consensus on international economic reforms was forged, the need for quality governance was conspicuously absent from it. Instead, the World Bank and IMF specialists emphasized pro-market policies, outward-oriented economic approaches, free trade and prudent management of public finances. This set of propositions turned out to be insufficient as the rich-poor divide, internationally, became more accentuated. The policy makers then took a fresh look and realized that institutions of governance were critical for economic reforms, for accelerating growth and for reducing inequities. The debate on governance reforms was gaining global attention in the late nineteen nineties. A Commission on Global Governance was proposed. The key idea thrown up in this wide based, recurring debate was that, "each country is responsible for its own growth and equity by observing macro-economic discipline, fair and effective governance and *development of human capital*" (emphasis added). Values, ethics and social responsibility were stressed not only for governments but also for businesses, industries and the corporate world. It was accepted that core values of integrity, equity, impartiality and efficiency must be adhered to and achieved through transformations in governance. Maintenance of policy and coherent action, citizen engagement, adoption of best practices, use of information and communication technologies (ICT), human capital development and democratic decentralization in empowered modes – these were some of the identified key areas of action where innovations were needed and new paths had to be carved. Carrying forward the debate, Osborne & Gaebler (1992) came up with the proposition that, in view of great increase in the functions and responsibilities of governments, it was necessary to shift course and make them "flexible, adaptable, open, citizen-focused and informed by efficiency, economy, equity and compassion". This suggestion is much more valid for developing and poor countries where, what is required is not less government but better government because the social and economic – obligations of such state are far more pervasive.

India's Response

6. When India became independent it chose parliamentary democracy as the mode of its polity. We started with a mixed economy model that was underpinned by strong foundations of central planning and a powerful, commanding public sector. This model did not deliver either growth or equity in the required measure. In the 1980s a shift towards liberalization got underway and it received a vigorous, path-breaking and crisis responding push in 1991 when a liberalized economic model was adopted. Industry was delicensed. Tariffs in respect of excise and customs were rationalized. Entry of foreign capital and investments was opened up. The historic 73rd and 74th Constitutional Amendments (1992) recognized local bodies as institutions of self-governance. The liberalization process got accelerated. By late 90s, the dominant thinking amongst the highest political, economic and administrative echelons was that of co-operative federalism, of a sustained liberalization policy, of institutional empowerment of people through devolution, delegation and decentralization, of fiscal stabilization and of effective administrative reforms. The areas of concern included openness, responsiveness and accountability in governance, minimizing of corruption, making decentralization more effective, expanding the areas and scope of social justice, deeper concerns for citizens' rights, removal of economic and gender inequities, constitutional, judicial and electoral reforms, and reforms of civil services at all levels. The National Agenda of 1999 spoke of the 'political age of reconciliation' and 'consensual mode of governance'.The Common Minimum Programme of 2004 emphasized, among other things, social harmony, enforcement of law, enhancement of the welfare of farmers and weaker sections, children and women's development, health and education, democratic decentralization, removal of infrastructure gaps, employment, the unleashing of the 'creative energies of entrepreneurs, businessmen, scientists, engineers and all other professionals and productive forces of the society' and, importantly, governance reforms. A Fiscal Responsibility law was enacted in 2003, followed by the Employment Guarantee Act of 2005 and the landmark Right to Information law of 2005. A Second Administrative Reforms Commission was appointed. The electoral law was amended and directions were issued by the highest court in the country regarding police reforms. The Malimath Committee on Criminal Justice System Reforms came up with its comprehensive report and recommendations which are yet to be implemented. The use of ICT in governmental and non-governmental (industries, businesses, educational institutions, banks, etc.) expanded geometrically.

7. The reform process is afoot with a galloping pace. The result, in overall terms, has been higher economic growth. But, there is much that remains to be done to make development a reality for all, especially the weak and the poor. Economic growth in truth has not yet become inclusive. Nearly one fourth of India still lives below the poverty line. Economic and social (also gender) inequities still abound. Nearly one third of Indian people cannot read or write. Food security for all is yet to be achieved. Malnutrition, particularly of women and children, pervades. Health and education indicators

are improving but very slowly. Potable drinking water, sanitation, electricity on demand, social security, work for all (employment or self-employment), citizens' perception of safety and security, effective self-governance and empowerment, quick and affordable dispensation of justice – these are some of the basic objectives of good governance that still remain to be achieved in any substantial measure.

Eleventh Plan Approach Paper on Governance

8. The Eleventh Plan's duration has begun. The nation, it is claimed, is poised on a high growth path but that endeavour has to be informed by equity. That would require distinctly improved governance. The Eleventh Plan Approach Paper of the Planning Commission (2006), as approved by the NDC, has stressed this need in no uncertain terms. It says:

"All our efforts to achieve rapid and inclusive development will only bear fruit if we can ensure good governance both in the implementation of public programmes and in government's interaction with ordinary citizens. Corruption is now seen to be endemic in all spheres of life and this problem needs to be urgently redressed. Better design of projects, implementation mechanisms and procedures can reduce the scope for corruption. Much more needs to be done both by the Centre and the States to lessen the discretionary power of government, ensure greater transparency and accountability, and create awareness amongst citizens. The Right to Information Act empowers the people to demand improved governance and, as government, we must be ready to respond to this demand.

Quick and inexpensive dispensation of justice is an aspect of good governance which is of fundamental importance in a successful society…………. Justice delayed is justice denied. Delays cost money and, therefore, it is impossible for the poor to access justice. Fundamental reforms are needed to give justice two essential attributes: speed and affordability".

9. The Approach Document also stresses, amongst other things, improvement of delivery systems, removal of poverty, use of modern and cutting edge technologies in project planning and implementation, e-Governance, balanced regional growth, environmental sustainability, high growth rate (9%) with equity, inclusive development, infrastructural improvements, health and education for all, employment creation, gender balancing and effective monitoring of outcomes instead of outlays and expenditures. Most of these objectives are clearly related to human development and removal of inequalities.

10. Recently, the Prime Minister of India, Dr. Man Mohan Singh, in an address at the Indian School of Business underlined the need for an Indian Model of Management. He said, "*Even as we learn from the West and the East, we must try to evolve our own paradigms of management education based on our own social and cultural attributes. The ideas and models that have been developed to deal with more universal management situations will need to be modified. I would caution against adopting a 'helicopter' model in taking modern management practices to rural areas. Grass root experience should inform management concepts, so that new management techniques can transform grass root practices*" (Economic Times 09.12.06). Addressing senior most bureaucrats at the Awards of Excellence in Public Administration function in New Delhi, as recently as on 21.04.07, the Prime Minister said again, "Civil servants have to shift from being controllers to facilitators and from being providers to enablers…….. I view the reform of government as a means of making citizens central to all government activities". Reforms in administration would actually imply allowing people to play a bigger role in decision – making, added the Prime Minister with emphasis. Civil servants must become agents of change and master new technologies and new styles of functioning in order to play that role.

II.   Governance Reform Responses in Uttar Pradesh

11. Following policy changes at the Centre in economic and fiscal domains, the 73rd and the 74th Constitutional Amendments recognizing local bodies as institutions of self governance with listed functional assignments, the ongoing national debate on improving the systems of public administration and the important Chief Minister's Conference of 1998 convened by the Centre, an assessment was made towards the end of the last decade by the U.P. State Government of the factors that were impinging negatively on economic growth and also giving rise to increasing fiscal difficulties. A diagnostic appraisal brought out the following weaknesses:

(a) Weak governance that manifested itself in poor service delivery.

(b) Excessive regulation in some areas and lack of regulation in others. Uncoordinated public spending.

(c) Lack of transparency, accountability and responsiveness in public services. Growing corruption.

(d) Poor financial management. High fiscal and revenue deficits forcing the State to resort to imprudent debt financing. Poor tax/GSDP ratio. High cost of governance. Poor expenditure efficiency and treasury control.

(e) Low levels of human development.

(f) Loss making, overstretched and non-performing public sector undertakings that constituted heavy financial burden on the State's exchequer.

(g) Serious bottlenecks relating to infrastructure, both social and physical,

(h) Poor grievance redressal,

(i) Obsolescence of many old laws,

12. In November, 1998, the Poverty Reduction and Economic Management Unit (South Asia. Region) of the World Bank brought out a report about the fiscal crisis faced by U.P. Sensing the acute financial crisis facing the State, the Government brought out a White Paper in 1998-99 calling for quick and multiple responses to correct the situation. In March 2000, GOUP came out with a Policy Paper on Reforms in Governance that, importantly, sought to redefine the government. It came out with a paradigm shift while stating that "the role of the State Government will progressively change with less emphasis on direct provision of goods and services and more on setting policy, contracting out, mandating, regulating, facilitating or financing economic and social services through private sector". Deregulation and divestment were identified as thrust areas for which high level bodies (High Powered Deregulation Committee and Divestment Commission) were set up. The essential strategies included: (a) Role redefinition of the Government, (b) Bringing transparency and accountability to government functioning by increasing people's access to information, (c) Quick grievance removal and vigorously combating corruption, (d) Renewal of civil services through right-sizing, restructuring and strict performance appraisals, (e) Institutional as well as administrative decentralization, (f) Financial management reforms, (g) Public participation in governance through voluntary action mobilization, etc. The policy document also spelt out the government's intention to bring down its personnel numbers by 2% a year till 2004, constitute Policy Planning Cells (PPCs) in all departments, develop and implement organizational performance indicators, give high priority to HRD issues like training, tenure security and transfer norms, and modernize office technology in terms of computerization, e-Governance and quick communication systems. Sound financial management, budgeting and expenditure reforms and effective auditing were the other needed intervention areas flagged.

13. Following the announcement of the new Governance Policy (2000), many consequential measures were taken by the State Government. Some of these are listed below by way of illustration:

(i) A ban on recruitment of government staff was put in place so as to move towards right-sizing through the normal attrition processes.

(ii) High level bodies for divestment, deregulation and expenditure efficiencies were constituted who submitted their reports and recommendations.

(iii) More functions and powers were decentralized to Panchayati Raj bodies but this process, unfortunately, got reversed in subsequent years. This amounted to reform retrogation.

(iv) Each service providing department/agency was required to prepare and disseminate widely Citizen Charters that would indicate, in clear terms, the kind of service available, its quality, price, location and the grievance removal system set-up. Unfortunately, again, such Charters have remained only as paper announcements without having been effectively operationalized.

(v) GOUP initiated the "U.P. Fiscal Reform and Public Sector Restructuring Programme". A key step in this respect was the preparation of Medium Term Fiscal Policy (MTFP) that was placed before the State Legislature.

(vi) Power Sector reforms constituted a high thrust policy area. A new State Power Policy was formulated in 2003 consequent upon coming into effect the new Central Electricity Act of the same year. The U.P. Electricity Reforms Act 1999 was enforced from January 14th 2000. Earlier, the U.P. Electricity Regulatory Commission had been set up in 1998. A strong Anti-Electricity Theft law was promulgated. The UPSEB was unbundled but this process has remained incomplete even as of now.

(vii) One of the most important measures taken in 2004 was the enactment of the U.P. Fiscal Responsibility and Budget Management law, the main objectives of which are to induct strict fiscal management principles and bring about transparency in financial matters.

(viii) The treasury system in the State was computerized right down from the State to the district level.

(ix) In many areas, the State Government developed new policies and institutional arrangements like the setting up of the *Udyog Bandhu, Avas Bandhu* and similar other one-window systems. Some of the important policy areas covered were population, agriculture, forestry, water management, road development, PSUs, public services, information technology uses, computerization, industrial development, housing, etc.

(x) For bringing about transparency executive orders were issued for providing access to public documents with suitable exceptions listed. A Right to Information law has since been enacted by the Central Government that has become operative *w.e.f.* 12.10.05 and is applicable to all States. This is a powerful law that makes citizens' access to public information a right, barring certain specified exceptions.

14. The above steps are only a few typical examples of policy and legal initiatives taken by the State Government following the announced Governance Policy of 2000. Other steps have, in one form or the other, covered areas like public health, education, rural employment, social welfare, poverty alleviation, women's empowerment, sustainable land / water management, etc.

15. Many other measures have since been taken by the State Government, in recent years, to carry forward the reforms agenda. Some of these, as mentioned in the Annual State Plan documents, may be briefly mentioned here:

(a) The empowerment of PRIs, "to decide taxes, duties and tolls for which Panchayats will be authorized".

(b) Drinking water and sanitation schemes (270) have been transferred to Gram Panchayats for O & M.

(c) Functions of 9 Departments are said to have been transferred to Gram Panchayats with fund transfers in respect of 6 and functionary transfers in respect of 5 departments. This, too, is an area for verification.

(d) GPs are required to prominently display all vital information regarding funds received by them under different heads, works completed and funds utilized, for public information.

(e) Access to information in the PRI system is now mandated to be ensured by the Right to Information law of 2005.

(f) Under the National Rural Health Mission, Village Health Committees are being entrusted with implementation responsibilities. Similarly Village Education Committees (VECs) have been constituted to oversee the Sarva Shiksha Abhiyan.

(g) Training and capacity building programmes for PRIs are being strengthened and expanded and an independent State Level Training Centre is being set up.

(h) It has been decided to computerize all Gram Panchayats with population of 5000 or more in the first phase. The objective is to introduce IT enabled e-Governance in the entire PRI system in a phased manner.

(i) Maintaining of accounts by PRIs on standardized formats and audit by chartered accountants has been made compulsory.

(j) The State Government has taken an important decision to constitute District Planning Committees as per provision of 73 rd & 74th constitutional amendments. The district planning committees have been subsequently constituted and elections are underway to select the members of DPC as provided in District Planning Committee Act-1999.

(k) In case of urban local bodies (ULBs) rule making powers have been delegated to Divisional Commissioners in respect of Nagar Panchayats (NPs) and Nagar Palika Parishads (NPPs). Financial powers of the Chairpersons of NP/NPPs and of Nagar Ayukts have been enhanced. Area-based self-assessment of property tax has been introduced in Nagar Nigams in the first phase.

(l) The policy of Public Private Partnerships (PPPs) has been accepted and adopted by the State Government in various forms in areas like infrastructure, providing of services, etc.

(m) Many reforms have been introduced in the power sector. In this sector the initiatives taken in recent years (from 1998 onwards) have been important and, in some ways, path breaking. The UP Electricity Reforms Act was passed in 1999. Earlier, the State Regulatory Commission for Electricity was set up in 1998. UPSEB was unbundled into three companies and KESA transferred to a corporate entity in 2003. An Electricity Anti-theft law was adopted in 2002 and four DISCOMs set up in 2003 to take care of electricity distribution in the whole State. In 2003-04 UPSEB loans of Rs.12277 crore were written off by the State Govt. and share capital of Rs.5906 crore provided for generation companies. The State Govt. committed itself to making yearly contributions to Pension Trust Funds of power companies. It also took over a liability of Rs.1634 crore relating to provident fund of the power sector staff. More recently several large sized power projects have been assigned to private entrepreneurs and Power Purchase Agreements (PPAs) signed with them in 2006.

(n) New policies were developed for sectors like Agriculture, Energy, Road Development, Health, Population, Industrial and Services Sector Investments, ICT Applications, Water Management, etc. to give a push to the pace of development and also introduce a degree of regulation as needed.

(o) Public enterprises have historically been a drain on the State. To address the problem a reform policy for this sector was evolved and adopted in 2000. Loss making PEs were closed. VRS was introduced in many cases. The number of PEs had come down very substantially to 37 by 2003-04.

III. Fiscal Scenario and Reforms

16. Uttar Pradesh was a revenue surplus State till about 1987. Thereafter, for more than a decade and a half, the fiscal situation progressively deteriorated (see Chapter 1, Section IX). Revenue deficit, that *was Rs.1149 crore* in 1993-94, *rose of Rs.5117 crore* in 2002-03. Gross fiscal deficit climbed from *Rs.3166 crore* in

1993-94 to Rs.9497 crore in 2002-03. Correspondingly, the debt burden shot up, too, from Rs.36145 crore in *1997-98* (31.2% of GSDP) to Rs.1,26,526 crore in 2005-06 (49.2% of GSDP). In the nineties, a persistently mounting fiscal crisis situation developed in the State. In 1998-99 a White Paper was issued by the State Government outlining the critical dimensions of the situation with a view to creating public awareness and, consequently, a climate for reforms. A Medium Term Fiscal Reforms Policy (MTFRP) was tabled in the State Legislature in 2000-01 and a Medium Term Fiscal Framework (MTFP), which was later revised in 2003-04, was developed. It laid down milestones for reduction of fiscal and revenue deficits, for expenditure saving and its efficient management, and for effective audit functions. In 2004, the State enacted its Fiscal Responsibility and Budget Management law which, again, laid down clear time lines for reducing fiscal deficit, eliminating revenue deficit and bringing down the debt burden of the State to 25% of its GSDP by 2018. Simultaneously, the Central Government, at the instance of the 12th Finance Commission, took many steps for improving State finances. High interest bearing State loans were to be swapped for lower interest borrowings with longer rescheduled return durations. Central devolution to States was increased to 30.5%. A special debt write-off scheme for States linked to fiscal reforms was introduced. The State Government also tightened its tax collection machinery and, in some ways, expanded the tax base. All these steps and others, put together, have very considerably improved the fiscal situation in U.P. (Table 8.1).

17. As would be clear from Table 8.1, there has been a marked turn around in many fiscal indicators. The balance from current revenue which was minus Rs.5456 crore in 2001-02 has got converted into plus Rs.5543 crore as per BE 2006-07. Revenue deficit has been wiped out and a revenue surplus of Rs.1123 crore is envisaged for 2006-07. The interest ratio has taken a steep and healthy plunge from 31% in 2001-02 to 17% in 2006-07. The State's own tax-GSDP ratio has moved up from 5.7% in 2001-02 to 8.2% in 2006-07. The debt burden is, however, still very heavy at Rs.1,37,915 crore (B.E. 2006-07), though its ratio to the State's GSDP is expected to fall from 50.2% in 2004-05 to 47.9% in 06-07. There are still some areas of concern. The cost of governance is even now high. The liability of pay, pension and interest put together stands at Rs.33,338 crore (BE 2006-07) which constitutes 60.7% of the State's total revenue expenditure. Though this percentage has also been falling in recent years but it is still high as of now. There is much scope for widening the tax and non-tax base for improving resources. At the same time better accounting oversight, audit and expenditure control can make every rupee go further to reach the real benefits to the citizen.

18. Many other steps have been taken for improving the fiscal management in the State. The computerization of treasuries up to the district level is a good achievement. Computerization of departmental accounts up to the drawing / disbursing officer level, which is essential for further improving financial management, is yet to be achieved. There is also need for setting up a well staffed and competent Cash and Debt Management Wing in the Finance Department.

19. The process of budgeting has to undergo many corrections and improvements. The budget calendar needs changing to ensure proper pre-budget scrutiny of SNDs. The size of supplementary demands has been ballooning making the very process of budgeting dimensionally inaccurate and adhoc. The phenomenon of multiple supplementary budgets in the same financial year does not reflect healthy financial discipline. The Contingency Fund Management also needs correction.

Table 8.1: Indicators of U.P.'s Fiscal Health in Recent Years				
Indicator	2001-02 (Actual)	2004-05 (Actual)	2005-06 (R.E.)	2006-07 (B.E.)
1. Balance from Current Revenues (BCR) in Rs. crore	-5456	-5409	+279	+5543
2. Interest Ratio (%)	31	30	21	17
3. Total tax receipts/GSDP ratio (%)	11.3	13.4	14.8	15.5
4. States' Own Tax Income/GSDP ratio (%)	5.7	7.0	7.7	8.2
5. Capital Outlays/ Capital Receipts ratio (%)	32	32	74	93
6. Debt/GSDP ratio (%)	44	50.2	49.2	47.9
7. Revenue Deficit in Rs. crore	6181	6993	3132	-1123
8. Fiscal Deficit in Rs. crore	9898	12998	13168	12712
9. Revenue Deficit/Fiscal Deficit ratio (%)	62.5	53.8	23.8	-8.8

Source: Budget Documents of U.P. Government.

The PLA and DCL arrangements have been curbed but not phased out wholly. Budget releases are, even now, not spread out to harmonize revenue inflows and expenditure streams. The tendency to incessantly draw down the public account is by no means a prudent fiscal path either.

20. Transparency in budget preparation, decentralization of financial powers, computerization of accounts across the board with horizontal and vertical electronic network connectivity, a law on procurement and awarding of contracts, phasing out of State guarantees on various types of loans raised by non-governmental bodies, and making of concurrent and post-audit arrangements more effective are some of the other matters that demand urgent attention in financial management improvement contexts. There is also need for greater legislative oversight on public expenditure. Another matter that demands a quick look is the burden of pensions (Rs.4541 crore in BE 2006-07) which is steadily rising. A solution to this problem has to be found or else this escalating burden may be difficult to bear in the coming years.

IV. Rule of law

21. For a fair and just society to sustain itself, an elemental need is the Rule of Law. The question that crops up often in public debate, particularly in the context of human development, social equity and disposition of political and economic power, is whether rule of law obtains. The social and political reality is that respect for law has dwindled. For good and citizen-friendly governance, restoration of the rule of law is a dire need of the time. Laws must respond to changing social and economic situations. Laws must be administered impartially. All, including the powerful, must be subject to law equally, without exception. Infractions must be penalized – promptly, openly and fairly.

22. Development planning, in order to succeed, requires peace and order. This is surely an important aspect of good governance that demands both urgent attention and action. Some efforts in this direction have been made but much more remains to be done. It is the perception of the citizen, in safety and security contexts, that matters most. Some recent reported figures about the incidence of main crimes in the State would be relevant here (Table 8.2).

23. As the table indicates that there has been fall in the incidence of main crimes except in the case of dowry deaths but these figures do not reflect the crimes that are simply not registered. The number of crimes against SC / ST have gone up considerably, from 2,690 in 2004 to 4,104 in 2006, which is a matter of concern. Similarly, crimes against women have also increased from 13,756 in 2004 to 14,925 in 2006. There have been sharp rises in excise and essential commodities related registered cases. Recovery of explosives has shown over a hundred fold rise. The number of illegal country arms factories detected nearly doubled from 612 in 2004 to 1,188 in 2006. More encounters with militants, dacoits and Naxalites have been reported in 2006 than in 2004. In 2006, under IPC 118,195 cases were reported and in 69% of these cases charge sheets are said to have been filed by 31.12.06. The figures for 2006 also indicate that stolen property was valued at Rs.92.11 crore and 42.6% of it is reported to have been recovered.

24. Naxalism is on the rise, particularly in the eastern parts of Uttar Pradesh. Similarly, infiltration of unsocial elements from Nepal border is yet another problem facing the State. In the area of policing several

Table 8.2: Incidence of Main Crimes in Uttar Pradesh (2004-2006)						
S.No.	Type of Crime	2006	2005	2004	Changes from 2005 to 2006 (%)	Changes from 2004-2006(%)
1.	Dacoities	105	220	269	-52%	-61%
2.	Loot	1625	1838	2126	-12%	-24%
3.	Murders	5482	5790	6143	-5%	-11%
4.	Riots	3420	3913	3834	-13%	-11%
5.	Trespass	3622	3740	4463	-3%	-19%
6.	Road Hold ups	6	7	7	-14%	-14%
7.	Ransom	109	141	224	-23%	-51%
8.	Dowry Deaths	1795	1552	1673	-16%	7%
9.	Rapes	1161	1186	1343	-2%	-14%
10.	Total IPC	118195	117748	125380	0.38%	-6%

Source: Director General of Police, U.P.

reform measures are needed. The Soli Sorabji Committee appointed by the Central Government (Police Act Drafting Committee – PADC) has given many valuable suggestions for empowering the police, for redefining superintendence, performance, evaluation and training, for insulation of the force from extraneous influences, for improving of capabilities and working conditions, etc. The Supreme Court, in 2006, laid down a road map for police reforms which, inter alia, covers the setting up of National and State Security Commissions, fixed tenures for DGPs / IGs / DIGs / SPs and SHOs, separation of law and order and investigation wings, etc. Then, there is the justice Malimath Commission Report of 2003 which has many valuable suggestions for improving policing and the criminal justice system. These are land mark directions and recommendations and it is for the respective governments to implement them in the interest of improving the internal security environment in the country and in the States and citizen perception of safety and order.

25. A word about human rights would be appropriate here. In 2003-04 and 2004-05, the highest numbers of complaints about the infraction of such rights that were received by the National Human Rights Commission were from U.P. The State Human Rights Commission (SHRC), according to its annual report of 2003-04, registered 5829 cases in that year, of which 4896 were disposed of. The maximum number (1593) emerged from Lucknow Division and the minimum (53) from Saharanpur Division. The largest proportion of these cases related to the Police Department. The SHRC has complained of non cooperation by Government Departments and inordinate delays in the compliance of it's orders. For protecting the rights of vulnerable sections of the society, several other Commissions have been set up in U.P., viz., SC and ST Commission, Minorities Commission, Women's Commission and Backward Classes Commission. These are statutory bodies which have important functions in the area of protecting the rights and promoting the interests of these sections. These bodies have to be strengthened and empowered so that they can perform their functions more effectively.

26. The other side of the law and order coin is the administration of justice which, unfortunately, has become highly dilatory, expensive and unaffordable for the common citizen. If justice becomes difficult to access from the judicial fora, it is sought, many a time, to be had on the street leading to breakdown of the rule of law which is counterproductive for human development. Delay in the administration of justice is a critical issue that has to be addressed with dispatch. Many steps are needed which, among others, would include improving and expediting investigations, increasing the number of courts, introducing double shifts, decentralization of the dispensing of justice, re-energizing and widening the role of Lok Adalats and the Legal Aid System, enhancing the scope of summary procedures, plea bargaining, compounding, eliminating unending adjournments, wide use of ICT and computerization in courts, etc.

V. Combating Corruption

27. Corruption is a great enemy of human development. It is both a menace and a challenge. Nearly two centuries ago Edmund Burke observed, "Among the people generally corrupt, liberty cannot long exist". When, during the Second World War, France fell to Germany, the renowned French thinker, Romain Rolland, said with anguish, "France fell because there was corruption without indignation". This is, by and large, the situation confronting us in the country and in the State. The fact of the matter is that, in many ways, the politico-administrative realm has disconnected itself from the moral realm. The virus of corruption has spread through out the social, economic, administrative and political fabric of the State. Mass culture has evolved and grown. Power has glamour, clout, immunity. It legitimizes, per se, its claimed achievements whether these have materialized or not, with disdain for the common man. Corruption has become an easy means to achieving wealth and power. In the process, to an extent, the servants of the state have become, or are being treated, as servants of powers that be. Transparency International ranked India 70th amongst nearly 100 countries evaluated in 2006 and its corruption perception index was 3.3 on a score range of 0-10. In a 7000 company survey carried out by the global consultancy firm, Grant Thornton, in 2006, 34% of Indian companies found red-tapism to be the single biggest constraint for expansion. In a 2005 countrywide survey carried out by Times of India, 60% of the respondents said corruption was the most serious problem that India faced.

28. Robert Klitgaard, a noted international consultant has briefly outlined the four components of an 'Anti-Corruption Strategy', namely, punish some major offenders; involve the people in diagnosing corrupt systems; focus on prevention by repairing corrupt systems; and, reform incentives. The anti-corruption strategy of State Government will need to be formulated keeping in mind the aforesaid components. Corruption needs to be curbed with a firm hand. It is possible to do so by acting simultaneously on many fronts. Some specific suggestions are proffered here:

I. Strict action against 'big fish' to denote State's commitment to 'zero tolerance' of corruption: This would involve quickly sanctioning prosecution of public servants in cases where anti-corruption agencies have sought permission for the same. Recently it has come to light that State Government had not issued sanction for prosecution in over 750 cases and the Government was goaded into belated action at the instance of the High Court. Likewise, officers charge sheeted

in cases under Prevention of Corruption Act must also not be allowed to hold any government post till their names are cleared by the Court. Officers of All India Services and other Provincial Service Officers must not only be 'clean' but also beyond suspicion.

II. Involvement of people in catching the corrupt public servants: Strengthening of Vigilance and Anti-Corruption Machinery organizationally, logistics-wise, authority-wise, skill-wise and technology-wise is urgently required. They should also have high quality legal support and efforts must be made to ensure fast track disposal of corruption cases in courts. There is also a need to strengthen the institution of Lok Ayukt at the State level. However, there should be a mechanism of involving the people in catching the corrupt public servants as they are the ones who suffer the most from corruption. This could involve independent annual rating of Government Departments on 'Transparency & Integrity Index' by an independent non-governmental agency based on feedback from public, effectiveness of 'anti-corruption' measures taken by the Department and level of transparency in conducting Government business.

III. Prevention of corruption by carrying out 'systemic reforms': Prevent corruption rather than deal mainly with its curative aspects only. This can be done by adopting open, transparent and decentralized systems of governance, by improving surveillance at all levels, by putting on the ground a well-oiled, performing grievance removal machinery, by adopting e-Governance through ICT utilization, by providing multiple-agency decision-making through one-window systems, by actually and effectively operationalizing Citizen Charters to be provided and implemented by public service providers, by convergence of delivery systems, by really empowering PRIs / ULBs, and by enlisting media and NGO co-operation. Further, there should be regular declaration of assets (both movable and immovable) by public servants with periodic verification on random basis. This data should also be placed on the web site as is presently being done with the affidavits filed by contesting candidates by the Election Commission. Government should also enact a whistle blowing law at the State level apart from legislation allowing forfeiture of property of corrupt public servants. The *Benami* Transaction (Prohibition) Act has been passed by the Parliament as far back as in 1988. Unfortunately, it has not yet been notified for enforcement. This needs to be done without delay.

IV. Reform incentives to honest public servants: The rot that has set in bureaucracy can be removed only when State Government begins to take effective steps to arrest the demoralization that has set in among honest public servants by bestowing 'suitable' public award, posting them at positions where they can show their mettle and make a difference to the lives of ordinary people.

29. Corruption is, indeed, a dangerous threat that needs to be countered through all means available – social, political, legal, judicial, penal and administrative. It is caused and nurtured by multiple institutional failures, by the dwindling fear of law, by elections becoming frighteningly costly, by growing consumerism and cultural hedonism, by ostentatious life style and, importantly, by its social acceptance. The day society learns to look down upon corruption socially it would be the day when its palpable decline would begin.

Box 8.1
Gulabi Brigade in Chitrakoot Dham Division

There has been an interesting development in the last two years in the backward and poverty stricken districts of Banda and Chitrakoot in Uttar Pradesh. Groups of illiterate rural women have come together to oppose injustice, corruption and non-performance of duties by public servants. As reported in the local press, wherever members of this Brigade come to know about any wrong-doing, act of corruption by any public servant, they gather in a group, wear pink (gulabi) sarees and gherao the concerned public servant and do not lift the gherao till their demands are fulfilled. The very presence of the all-women group and the consequent publicity in media has instilled an element of fear among corrupt public servants.

VI. Democratic Decentralization

30. In democracies the best government is that which is nearest to the people. Use of local institutions, local knowledge, local empowerment, local decision-making and local resources (supplemented by appropriate resource transfers from higher levels of government) – these are, recognizably, some of the key features of democratic decentralization. The Indian Constitution, for decades, recognized only two levels of government – the Centre and the State. Then came the landmark 73rd and 74th Amendments in 1992 that recognized PRIs / ULBs as institutions of self-governance and provided detailed listings of their functional assignments (Schedules 11 & 12). These listings, alas, are as of now, only enabling and not mandatory. It is left to State Governments to empower these bodies. The process and content, as well as pace of devolution which is the crux of power to local bodies are vested wholly with them. The subject of Panchayati Raj in included in the State list of the 7th Schedule.

Panchayati Raj Institutions

31. Panchayats in U.P. are still weak in terms of empowerment and in respect of functions, funds and functionaries. Following the enactment of the historical 73rd Constitutional Amendment, the State Government set up the Bajaj Commission in 1994 to suggest measures for strengthening the three tiered PRI system. Consequent upon the submission of its report, in 1999, the Government introduced some important changes in the structuring and functions of PRIs. By executive orders it transferred functions of eleven departments and functionaries of eight departments to Gram Panchayats in 1999. The *Adhyaksha* of the *Zila Panchayat* was made the Chairperson of the DRDA as well of the *'Sinchai Bandhu'*. Kshetra Panchayats were entrusted with the task of overseeing the implementation, monitoring and evaluation of programmes related to rural development, the responsibility of supervising primary health centres and veterinary hospitals at the block level and were asked to maintain the government buildings and properties transferred to them. The U.P. District Planning Committees Act, as mandated by the 74th Constitutional Amendment of 1992, was adopted seven year later in 1999. It has now been given effect to in actuality.

32. There is a general feeling that the 73rd and 74th amendments have not been effective in U.P. in enlarging the functional domain of rural PRIs in a meaningful way. The required measure of devolution of powers, functions and resources has not materialized in this State so far. The line departments and agencies, in most cases, continue to function on their own in respect of functions marked for PRIs. The fact that bureaucratic control over *Panchayats* continues in a large measure is the ground reality.

33. The incompleteness of devolution becomes manifest because the conformity laws only loosely state the functions that stand devolved to PRIs without an exact assignment of activities to be carried out at the three tiers of these bodies. In other words the State Governments appear to be hesitant and tardy about notifying the a*ctivity mapping* that would guide the devolution of functions to *Gram, Kshetra* and *Zila Panchayats*. At this point of time Kerala, Karnataka, West Bengal and Sikkim are reported to have made distinct progress in this direction. This is what should happen in Uttar Pradesh, too. The principle of subsidiarity ought to guide the process. Anything that can be done at a lower level of government should not vest in any higher level.

34. Decentralization implies multiple types of devolution and delegation (the so called 3 Fs), namely, functions, functionaries and funds. But, that by itself, is not enough. There is also a clear need for rights of local governments over those local resources that are critical for the livelihood and survival of rural people.

The situation at present is that, among 27 States, only 7 have devolved all 29 functions listed in Schedule 11 to Panchayats. Only Karnataka has reportedly handed over functionaries and funds to PRIs for all 29 subjects. In Kerala this number is 26 for all the three Fs. These two States are already devolving nearly 34% and 40% of their respective State Annual Budgets to PRIs. What is required is that GOUP must similarly articulate unambiguously the devolution of functions, finances and functionaries to PRIs and should undertake comprehensive a*ctivity mapping* for all the three tiers of these institutions.

35. Only 14 States have so far constituted DPCs. Now U.P. has also operationalized this constitutional provision. The Planning Commission has now mandated for the Eleventh Plan that every Annual State Plan will be a consolidation of Draft District Development Plans prepared by respective DPCs. The Ministry of Panchayati Raj (GOI) has launched two drives, viz. *Panchayati Mahila Shakti Abhiyan* (PMSA) and *Panchayat Yuva Shakti Abhiyan* (PYSA) in collaboration with some State Governments to energize women and young people to participate in overseeing the devolution of the three Fs to PRIs and take an active interest in monitoring the outputs and impacts of citizen related services. U.P. Government should take full advantage of these drives so as to strengthen the PRI system in the State in governance as well as service delivery contexts.

36. The role of panchayats is expanding. It will continue to do so in future, too. More and more resources will get transferred to them. The GOI has suggested that PRIs should raise at least 20% of their budgets as their own revenues. According to the Central Task Force of officials in charge of PRIs in States, in 2004-05, the total transfers to States under Centrally Sponsored, Centrally Assisted and the Backward Regions Grant Fund (BRGF) amounted to a massive total of Rs.62,674 crore. In the country 2,33,699 *Gram Panchayats* were implementing more than 190 such schemes. In addition, there are devolutions from the Central and State Governments (based on recommendations of respective Finance Commissions) and own resources of PRIs. The sheer logic of these developments is that capacity building of PRIs is must, a clear priority.

37. Unless empowered and participatory decentralization is promoted with political and administrative conviction and commitment, and concretized at the grass root level and peoples' institutions are restored, revitalized and strengthened in terms of authority, organizational wherewithal and resources, these bodies will remain disempowered and the task of inculcating a full sense of belonging in the citizen, of removing of inequities and poverty, and of reaching economic and social benefits to the common man, specially the poor and the weak, will remain largely unachieved.

Urban Local Bodies

38. Over one-fifth of U.P. lives in urban locations. Over 37.5 million people live in 623 cities and towns. What is a matter of concern in human development terms is that, over 9 million people live in urban slums. Their economic and social problems are acute. They suffer severe deprivation and exclusion. They lack access, shelter, education, public health cover, sanitation, potable water and livelihood means.

39. Urban Local Bodies (ULBs) in Uttar Pradesh are weak bodies in terms of resources, management capacities and real functional devolution. Article 243-W of the Constitution refers to the powers, authority and responsibilities that the legislature of a State may by law devolve upon municipal bodies. The functions listed in Schedule 12 are wide-based and, *inter alia*, include urban planning (including town planning), regulation of land use and construction of buildings, infrastructure, economic planning, slum improvement, health and sanitation, promotion of cultural and environmental well being, etc. Following the 74th Constitutional Amendment, GOUP adopted the needed conformity legislation. The *Nagar Palika* and *Nagar Nigam* related laws were amended. The steps taken resulted in some improvements. The representation of weaker sections got expanded and women got one third seats reserved for them. Elections to chairpersons of these bodies were now direct, based on universal adult franchise. The tenure of these bodies was safeguarded. Ward committees were constituted in cities of over three lakh population. The financial powers of *Mukhya Nagar Adhikaris* (MNAS) and Chairpersons of NPPs/NPs were enhanced. Devolution to ULBs was raised to 7.5% of the State's tax income on the recommendations of the Second State Finance Commission. These are some of the pluses but, barring the mandatory provisions of the 74th Amendment and increased devolutions, the rest of what has been done so far has been insufficient for making ULBs really autonomous and performing institutions of self-governance. The resource base of ULBs in the State is narrow. Tax and non-tax income is very limited (per capita own income of ULBs in U.P. was a mere Rs.51.29 in 1997-98 against the national average of Rs.290.03). By 1999-2000, 57.58% of total financial resources of *Nagar Nigams* came from State Finance Commission recommended devolution. In respect of *Nagar Palikas* own revenue constituted only 20.81% of their total financial resources (SFC based devolution contributing 71.5%). Tax and non-tax assessments are often incomplete. Collection efficiencies are low. Not a single ULB in the State has been able to get credit rating for tapping institutional or bank finances. The need is to improve ULB, resources through enhanced devolutions, by diversifying and deepening the existing tax and non-tax bases, by expanding their tax/non tax assignments, by eliminating leakages, by rationalizing user charges, by improving financial management and collection efficiencies, by promoting appropriate public-private partnerships and by tapping institutional credit.

40. Urban governance is an issue of importance. ULBs suffer from certain basic handicaps in this context. They do not command adequate financial resources. They are subjected to rigid government control leaving them little room for initiatives and innovations. They do not have the managerial and organizational capacities to provide and deliver the growing needs of civic services and infrastructure. A host of Government Departments, agencies, parastatals and institutions perform some of those very functions which should rightfully fall in the domain of ULBs. Thus, for example, we have the Development Authorities, *Jal Nigam, Jal Santhans*, SPCB, the Town and Country Planning Department, SUDA and others who are doing things which ULBs ought to do. This confusing institutional overlapping diffuses responsibility, creates coordination problems and adversely impacts success of legitimate urban governance.

41. The issue of the capacity of ULBs as instruments of efficient delivery of services is germane to their managerial arrangements, technical capabilities and administrative competence. Urban governance is highly complex in view of rapidly escalating demographic, economic and commercial pressures on cities. At present, ULBs lack trained city managers, urban planners, financial experts, health and environment specialists. At supervisory and para levels ULB staff is neither fully qualified nor trained for the tasks they are required to perform. HRD in these bodies is tragically a neglected area. While responsibilities, functions and tasks of ULBs are becoming more and more complex, the capacities of the personnel are not built to meet the growing challenges. Similarly, training exposure to elected representatives is wanting. A well staffed and equipped State Academy of Urban Administration with subsidiary regional units is the need of the day in order to increase capacities and capabilities of ULBs in different fields and aspects of urban management.

42. Citizen engagement in city/town management is by and large missing. Grievance removal is an unattended area. These are serious gaps in urban governance that have to be addressed so that the quality of urban life can improve, more particularly for the poor and the slum dwellers, and clean city/town environments are provided. Some of these gaps and action steps needed to address them are mentioned below:

(i) Real empowerment of these bodies through governmental commitment,

(ii) Capacity building, HRD, resource mobilization and expenditure efficiency accompanied by accountability and transparency at all levels,

(iii) Active involvement and participation of citizens

in governance processes. Quick grievance removal and effective use of Citizen Charters,

(iv) Quality services and facilities be made available to citizens at affordable prices so that cities/towns become environmentally benign and socially supportive,

(v) Enrichment of the socio-economic and cultural life of city/town dwellers.

43. Accountability to urban citizens can be achieved also through decentralization of responsibilities and involving people in monitoring the performance of service providers. Citizen Report Cards (CRCs) can play an important role in overseeing and measuring the satisfaction of people about the quality and timeliness of services provided by a municipal body or any other public agency including parastatals and other quasi-governmental organizations. CRC systems have already been tried in cities like Bangalore, Mumbai, Ahmedabad and Hyderabad with varying results. On the whole, the results have been positive.

44. Cities are busy hives of economic and social activities, of rapid technological changes and innovations, of educational, cultural and artistic development. At the same time, they face a variety of problems – heavy population pressures, incessant in-migration, crowding and traffic snarls, unemployment, poor infrastructure, sharp economic inequalities, tense living, high incidence of crime, sprawling slums, deteriorating environments, felt citizen insecurity and mounting social anomie. The challenges of urban governance are more pronounced and acute. They demand urgent and special responses.

VII. Right to Information

45. In open democratic systems transparency and accountability are the essential ingredients of good governance. Accountability is to be understood in terms of the discharging of the trust of public duty by public agencies and public servants, of standards of performance and of the quality of security and of services delivered to citizens. All this is possible when people have access to information relating to the functioning of public agencies. The people's right to know has been recognized by the higher courts as a fundamental right under articles 19 and 21 of the Constitution. According to the eminent jurist, Soli.J.Sorabjee, "Information is power. And that is why every administration, whatever be its political colour, tries to withhold or manipulate information. People need information to enforce accountability of their rulers". More than two and a half decades ago, in 1980, the Supreme Court of India, in its landmark judgement in S. P. Gupta's case, ruled that: "No democratic government can survive without accountability, and the basic postulate of accountability is that people should have information about the

functioning of the Government. It is only if the people know how the Government is functioning that they can fulfill the role that democracy assigns to them, and make democracy really a participatory democracy". This logical formulation by the highest court in the country was precisely the rationale for a Right to Information law but, unfortunately, it took nearly 25 years to be formulated and enacted for the whole of the country in 2005.

46. The movement for right to information in India grew from grass root levels in Rajasthan in the nineties. A group of activists organized a sit out in Beawar. A crowd of villagers gathered for a *Janasunwai* (public hearing). Villagers sought details of expenditure on public works sanctioned and executed through their Gram Panchayat. The details of such funding and expenditure incurred were read out. Villagers complained that works undertaken as mentioned were either incomplete or not executed at all. There was resistance in providing correct information. Then, suddenly, the powerful voice of a village woman, Nevathe Bhai, who grabbed the mike, rang loud and clear *"Hamara Paisa, Hamara Hisaab"*. She effectually linked the right to information to livelihood. This was the seeding of a mass campaign that received wide based NGO support. The judiciary upheld the people's demand for public information. The movement snowballed and resulted in many States enacting RTIs laws. Goa and Tamil Nadu became pioneers in this context in 1997. Seven other States followed suit during 2002 to 2004. A Freedom of Information Act (FOIA) was centrally enacted in 2004, but it never became operational. Finally, the Central Government introduced a new RTI Bill in the Parliament on 23.12.2004 which got converted into law in May, 2005.

47. RTI-2005 is indeed a powerful and enabling law. It is a progressive, participative and, potentially, highly citizen-empowering piece of legislation. It covers the executive, judicial and legislative wings of the Central and State Governments, public institutions, and even private bodies information from whom can be accessed under a law in force by a public authority. The crux lies in sincerely, effectively and unreservedly implementing the law. It demands full political and administrative commitment at all levels of governance, changed mind-sets and attitudes of officials and public agencies, organizational support and honest enforcement. There is, at the same time, need for wide-based awareness of the citizenry, specially the common man, the poor and the powerless, in respect of which the media, voluntary activist groups and civil society collectivities should and would have to play a vital role.

48. Information has been well recognized as power. If those who govern or provide services and goods, and citizens who are supposed to be the real beneficiaries of such arrangements, can share information freely, openly and affordably, that would mean empowerment

of people. It has been rightly said that sunlight is, in the long run, the best disinfectant. RTI means sunlight. With this powerful piece of legislation now available to people and the complementary, as also hopefully concomitant, use of information and communication technologies and networked electronic connectivity for public accountability enforcement and in the providing of information as well as services, remarkable shifts are expected to take place in favour of citizen empowerment in the country, and in U.P., too. These shifts will be from secrecy and exclusion to openness and accessibility for people; from heavy, unwieldy and burdened paper-based record-keeping, filing, and correspondence systems to digitized, computerized and readily accessible information of diverse types; from over-layered hierarchies to networked and horizontal organizational systems; from delayed or no responses to prompt access and replies; from the wielding of power through hiding information to empowerment through a clearly conferred legal right with penalties for non-compliers; from corruption-feeding ways of doing things to transparency and accountability; from the darkness of status quo to the sunlight of the new enabling law, and, to both commitment as also hope.

49. In U.P. the State Commission on Information was set up *on 14th Sept. 2005*. The Chief Information Commissioner *and 9 Commissioners* have been appointed so far. The results of this set-up have begun to emerge. Instructions have been issued to all public authorities to make 16 manuals related to proactive disclosure of information under the section 4(1)(b) of Right to information Act, 2005 and also upload manuals on Internet. RTIA is an evolving law and, in time, its benefits to the society will be considerable. The important needs for its effective and successful implementation are (a) training and motivation of the personnel of government departments, public agencies, institutions, service providers, PSUs, local bodies, etc., (b) organizing information by all such establishments/bodies in a computerized form for easy and quick electronic accessibility, (c) equipping these bodies with computerization and connectivity facilities, (d) ensuring effective enforcement and (e) enlisting the co-operation and assistance of voluntary groups and community collectivities to play awareness-spreading and advocacy roles.

VIII. Proliferation and Productivity

50. An important governance issue is related to its costs and the organizational efficiency of people manning the government machinery at different levels. Keeping a firm check on proliferation of government departments and agencies is an accepted policy of GOUP. In fact it had agreed to reduce its personnel by 2% a year in its negotiations with the World Bank and this announcement formed a part of the State's Governance Policy of 2000.

The proliferation problem, however, subsists even now. Some examples may be cited here to highlight the issue and its implications.

51. In 1965, when Uttarakhand also was still a part of U.P., the number of Secretaries in the Government was only 21 (there were no Principal Secretaries then). They were supported by 114 officers of Under Secretary to Special Secretary level. By 2006, the number of Principal Secretaries/Secretaries had gone up to over 90 and that of the other categories to over 360. The number of sections in the Secretariat had risen from 251 to 385 during the same period. The number at officer level had increased by 33%. The number of the Heads of Departments (HODs) that was 70 in 1970s had also shot up to more than 115.

52. A brief look at employee numbers would also be of interest here. In 1971, the number of government employees was about 5.44 lakh. The number of sanctioned posts had shot up to about 10.78 lakh by 2005. GOUP's total expenditure on salaries and allowances was Rs.130 crore in 1971; by 2004-05 it had shot up to Rs.8655 crore. In 1971, cost per employee per year was Rs.2643. This had ballooned to Rs. 1,04,850 a year by 2004-05. Even if we apply the cost deflator in terms of the wholesale price index with 1970-71 as base year, the cost per employee has more than tripled in real terms. Pay and pension together constituted 43.1% of the State's revenue expenditure in 2004-05. By 2006-07 it was expected to very marginally fall to 42.1%, which is still quite high.

53. The second aspect of the personnel size and cost is its productivity. This is yet another area of concern. Wide spread absenteeism in the field staff and rising pendency of matters and references at most levels of governmental organizations and agencies are clear signs of low productivity and poor quality of services rendered to citizens. These are issues that need to be addressed through cost control, sound performance appraisals, induction of modern technologies to expedite office processes, carefully devised incentive and disincentive systems for the personnel and much greater attention to training, skill development and motivational programmes for officers as also staff at all levels.

IX. Delivery Systems and Need for Convergence

54. If governance at the tool-meets-object level is to improve, which is undeniably the most critical level, and benefits of development and anti-poverty programmes reach to those who need these most, it is the delivery systems that need to be tightened up and vastly improved. Most development programmes launched at considerable costs and with lot of enthusiasm flounder for lack of properly worked out delivery systems.

55. Government and its agencies deliver various types of programmes, services, materials, benefits,

facilitation subsidies, subventions, scholarships, pensions, credit, etc. to people. These can relate to physical infrastructure like roads, power, irrigation, housing, drinking water, transportation communications, etc. In the social infrastructure areas services could include education, health, family welfare, nutrition, children and women's welfare, specially targeted programmes for marginalized groups, etc. Other types of deliveries could include credit, public distribution, procurement, subsidies, input supplies, financial assistance, technology transfers, etc. These are just some sample sets of activity types. An efficient delivery system requires convergence of related facilities, services, staff, institutional arrangements, materials and input supplies, credit and other assistance-disbursing arrangements, facilities for deposit of tax, non-tax and user charge dues, knowledge transfer, and a host of similar other components.

56. A few examples of delivery systems in the State are given below to highlight their strengths and weaknesses.

(i) *Sarva Shiksha Abhiyan:* Decentralized participation is the key driving element of the *Sarva Shiksha Abhiyan* (SSA) which, in common parlance, is the roll out of a massive governmental push for universalization of primary education. The Village Education Committees (VECs) are intended, in this scheme, to be the mechanisms through which public funds for education services are to flow to the village. The delivery paradigm is built around (a) people's participation at the local level, (b) local agency (VEC), (c) improved service delivery and (d) improved outcomes. Independent surveys reveal several deficiencies in the implementation of the programme and its outcomes. A survey was carried out in four selected blocks of Jaunpur district in early 2005 by Pratham, MIT (J-PAL) and the World Bank to asses how SSA is being run and what is the performance of VECs. The results of the survey are highly disappointing. Close to 70% of children at the age of 8 could not read simple text. This number is 50% at age 10 and 30% at age 12. The story was similar for maths and writings. Fifty percent of children at age 10 could not write sentences. Parents, teachers and VEC members were not even aware of the scale of the problem. Many parents did not know that a VEC exists. VEC members themselves were not aware of their roles. Public participation was found to be negligible (Abhijit Banerji, 2007). Here we see an example of delivery failure.

(ii) *Lokvani:* It is an innovative model of Citizen Service Centres (CSCs) – a public-private programme started in Sitapur district in December, 2004. It was envisaged to be a single window, self-sustainable e-Governance solution providing, quick accessibility, transparency and responsiveness in certain selected areas of district administration, the services online available being, (i) Land records (ii) Public grievance redressal (iii) Tender forms, (iv) Arms license applications status and (v) EPF accounts of basic education teachers. The solution is targeted at 3.6 million citizens residing in Sitapur district. *Lokvani* is an autonomous registered society. The system operates through 42 electronically networked and uniformly distributed Kiosk Centres spread out in the district owned by private entrepreneurs who operate as Lokvani's franchisees. Kiosk operators are earning extra money, besides their regular income. Till July, 2005, 28,923 quarries or complaints were received of which 24,920 had been disposed of. Many improvements are still to be made about quality of disposal and the adequacy of back office support but, *Lokvani,* on the whole, has been a good initiative. which may nationally recognized. To an extent it has shown that low computer literacy rates and financial constraints are not insurmountable barriers for implementing a citizen-oriented e-Governance project.

(iii) Agricultural Support System: Agriculture sector of the State's economy has been experiencing a worryingly low rate of growth in recent years. The National Commission on Farmers, in its recent reports, has highlighted the difficulties faced by this sector of the economy. The crucial sources of growth of agriculture, it is well known, are land and water management (irrigation, balanced use of ground and surface water, protection and improvement of soil quality and fertility), technology (farm level proven research and extension), good seeds, packages of practices, inputs, credit, plant protection, diversification, safe storage, marketing, post-harvest value additions and further enhancing of incomes through allied activities like animal husbandry, horticulture, poultry, etc. All these activities constitute systems that are related to supply factors, demand driven higher value returns, and institutions for better delivery systems. Unfortunately, many of these systems do not function properly, some even have collapsed. The Co-operative Credit System is a glaring example of such failure. Value additions are yet to materialize. There are many such delivery system related links (eg. storage, marketing of produce, processing, packaging, cold chains, etc.) that have to be forged strongly to make agriculture and its allied activities economically viable, sustainable as well as attractive. Knowledge to do so is there. Additional resources for this sector are also likely to materialize in the light of changing Eleventh Plan strategies. The crux is the strengthening of the delivery systems.

(iv) Integrated Child Development Services (ICDS) and MDM (Mid Day Meal): ICDS and MDM are two important programmes that contribute to human development through promoting nutritional security of children. Several delivery related hurdles have plagued both these programmes in U.P. These, for example, relate to lack of funds or of timely release of funds, understaffing, poor quality of food grains, want of supervision, deficiencies in training, centralized management, corrupt contractor system, etc. These are curable shortcomings if *Anganwadis* are activated, if parents are involved and if school managements and PRIs are made more accountable. The Central Government is moving towards providing MDM to students up to class VIII. The scheme is set for further streamlining to ensure better delivery. The improvements proposed include better fiscal management, timely release of funds including cooking costs, better cash flow to schools, supplying better quality of food grains and other ingredients and their transportation, and close monitoring. These are some of the important steps that can also improve delivery of these programmes in the State.

57. Funding is not a major constraint in many human development related programmes. Lack of effective delivery systems, on the other hand, very much is. The key requirements for improving delivery systems would include:

(a) Decentralization – democratic, institutional, financial and administrative,

(b) Convergence of services and facilities at points of delivery,

(c) Community participation, stakeholder involvement and citizen oversight,

(d) Right to information, transparency, open decision-making,

(e) One-window arrangements,

(f) Quick grievance removal systems,

(g) A credible and operative Citizen Charter system linked with social audit,

(h) Effective field inspections, monitoring, feed-back and corrective action,

(i) Careful targeting of benefits, subsidies, financial assistance, concessional prices, etc., that also need to be delivered,

(j) Outsourcing deliveries where feasible under supervision and quality-cum-cost control measures,

(k) Use of information technologies for improving deliveries, reducing costs and for ensuring smooth operation of supply lines, distribution, inventory control, monitoring, etc.

X. E-Governance

58. Information and Communication Technologies (ICTs) have become powerful tools for realizing the goals of planned development at all levels and in all domains. These technologies can compress time, space and costs in the march towards fast and equitable growth. ICTs empower people and stimulate transparency and accountability. Their uses speed up information gathering, processing, storage and retrieval. These enable speedy decision making, make possible much more effective monitoring and help in making quick course corrections when and where required. India has been using ICTs for years now but these have yet to become the expected empowering instruments for the common citizen to maximize his/her knowledge, accessibility to information, speedy grievance removal and empowerment. The national IT law was enacted in 2000. It has been, and continues to be, amended from time to time to make it more vigorous, people-serving and effective. Legal status has been given to electronic records and digital signatures in government offices, businesses as well as legal and financial transactions. The Central Government's policy avers in clear terms, "e-Governance will be promoted on a massive scale". The Government of U.P. has set up a separate IT & E Department and come out with a comprehensive IT policy for the state. The policy objectives, inter alia, include accelerated development of IT industry (both software and hardware), using IT for government work and work of PSUs, local bodies, service providers, public institutions and agencies at all levels, promotion of IT education, and wide dispersal and outreach of ICTs to reach the common citizen. Advances in ICTs have made it possible to provide a wide range of services in the form of video, voice and data content through single communication channel. This opens multiple possibilities in areas like e-Governance, education, health, information services, financial transactions, land records, registration of deeds, telemedicine, banking, taxation, etc. The State Government has laid special emphasis on the setting up of infrastructure for establishment of Tele-centres, Tele-kiosks, Cyber Cafes and DTP booths for the widening of IT base in the State. There is a proposal to set up about 10,000 Village Knowledge Centres under a national plan umbrella. This is the intent. The crux lies in operationalising it in a time bound manner. Political, administrative and technical leadership have to become fully committed to such a large task. It has to provide direction, resources and will to get things done.

59. The National e-Governance Plan (NeGP) reflects the importance attached to ITC by the Central Government. There is a need to make IT an essential part of school education at the secondary and higher levels and to train Government/PSU/institutional cadres and elected representatives from *Gram* and *Nagar Panchayat* levels up to the State Legislature level so that

the benefits of these technologies can be maximized for all people. President,Dr. APJ Abdul Kalam emphasized the importance of this programme, in his 2005 Republic Day Eve Address in the following words: "With the kind of awareness and opportunities available in ICT, it will soon become a reality wherein everyone of our villages will have computers and connectivity available. These would be the windows to the world of knowledge for our villages and also to reap benefits of e-Governance, tele-education, tele-medicine, e-commerce and e-judiciary initiatives".

Box 8.2

E-Governance in Stamps & Registration Department: A Success Story

Stamps and Registration is the second most important source of revenue for the Government of Uttar Pradesh after Trade Tax. There are 347 Sub Registrars Offices across the entire State. The Office of the Sub Registrar is the place where all the registration work is done. This is the office, which has maximum interface with the common public and over 150 lakh persons visit the Sub Registrar Office every year and nearly 23 lakh documents are registered every year. The various functions performed at Sub Registrar Offices are: Registration of Documents, Valuation of immovable properties, Collection of Revenue, Stamp Duty, Transfer Duty and Registration Fee, Preservation of Copies of Documents, Issue of Certified copies of Documents, and Issue of Encumbrance certificates. Lack of transparency in property valuation under the old manual system resulted in a flourishing business of brokers and middlemen leading to corruption. Antiquated procedures such as manual copying and indexing of documents, and storage in paper forms in ill-maintained record rooms needed replacement by electronic delivery of all registration services apart from provision of better amenities to the tax payers.

The PRERNA (Property Evaluation & Registration Application) software developed by National Informatics Centre, U.P. has been introduced by the Stamp & Registration Department to eliminate the maladies affecting the conventional registration system by introducing electronic delivery of all registration services. The aim of PRERNA is to demystify and bring speed, efficiency, consistency and reliability in the registration process. This software has been developed to provide on the spot registration, single window service, and transparent and reliable transactions apart from providing tools to monitor revenue. PRERNA incorporates a number of validations as well as in-built functionality to ensure accuracy and evaluation, wherever possible.

PRERNA meets the following key objectives:

- ✓ *Helpdesk for Villagers / Farmers*
- ✓ *Reduces Waiting Time & Queue*
- ✓ *Instant Registry*
- ✓ *Instant Photography& Thumb Impression*
- ✓ *Automatic Valuation of Property*
- ✓ *Automatic Computation of Stamp Duty& Registration Fee*
- ✓ *Query on Registered Properties*
- ✓ *Digital Documents Storage*
- ✓ *Develop a simple, speedy & reliable registration process*
- ✓ *Build consistency & uniformity*
- ✓ *Return of the original document immediately after registration; within 20 minutes of time*
- ✓ *Transparent process*

GOUP decided to rollout the PRERNA Software in 106 Sub Registrar Offices of Sadar Tehsils of all 70 Districts from *1st August' 2006* in the First Phase of Computerization. Computers, laser printers, scanners, web cameras, bio-metric devices were provided to the selected SROs. Remaining 241 Sub Registrar Offices are proposed to be covered in Second Phase. In these 106 computerized Sub Registrar Offices, over 4.66 lakh documents have been registered by computerized process between August and February while 3.42 lakh documents had been registered in the corresponding period of 2005-06. Likewise, growth in revenue is to the tune of 55.39% for the same period in the computerized Sub Registrar Offices. Consequently, revenue collection under Stamps and Registration during 2006-07 till February, 2007 is Rs.4061.13 crore while it was only Rs.2801.73 crore in 2005-06.

The time required for services such as valuation of property, sale of stamp paper, and provision of certified copies of registered documents now takes 10 minutes instead of a few days as under the earlier system. Encumbrance Certificates (ECs) are now issued to citizens in a span of 5 minutes, using a system that searches through more than 15 years of records from over several offices. Land registration can be completed in 20 minutes, whereas earlier it took 7-15 days.

Introduction of e-governance has benefited all stake holders in a number of ways, i.e, completion of registration process within 20 minutes & prompt return of original documents, transparent, accurate and free market value assistance to buyers and sellers, facility for inspection of documents in a clean environment to lawyers, computerized search facility greatly saves time for lawyers & their staff, and better facilities for lawyers, deed writers, stamp vendors & bankers.

60. Other States have moved ahead in expanding the reach, scope and coverage of e-Governance. Thus, *e-Seva* and *e-Panchayat* in Andhra Pradesh, *Rasi* in Tamil Nadu, *Lok Mitra* in H.P. and Bangalore – I as also Digital Service Centres in Karnataka, to cite only a few examples, have moved ahead with speed and effect. Other States are stepping up on such initiatives such as Punjab, West Bengal, Maharashtra, Uttarakhand and Kerala. In U.P., *LOKVANI* has been a good initiative but its coverage is as yet limited. The information delivery and the needed quick grievance removal back-ups have to be properly put on the ground. Policy is already in place; so are declared intentions. The citizen is anxiously waiting for all this to become a reality.

XI.   Mobilizing Voluntary Organizations

61. NGOs voice and represent the voluntary sector which can be constructively mainstreamed into the strengthening of the processes of development at grass-root level. Voluntary organizations can act as catalyzing agents, bridges and facilitators in delivering services in villages, hamlets and urban mohallas / basties. They are more flexible in approach, less rule-bound and simpler in managerial structures. If these bodies are carefully screened, selected and mobilized they can provide more efficient delivery of services at lesser costs, with greater involvement of people and better utilization of funds.

62. The NGO movement in Uttar Pradesh is at present weak. It needs to be strengthened and fully and effectively co-opted into the streams of planned development. A note of caution would, however, be very appropriate here. Many spurious organizations claiming to be NGOs working for public interest have mushroomed. Such organizations have to be excluded through rigorous screening, proper verification and black listing where required.

63. As of March, 2005, there were about 4.20 lakh NGOs/ SHGS registered in the State. Then there are youth/women clubs and many international and national agencies (e.g. Oxfam, Unicef, Care, Rotary, Action Aid, Trade Associations, Chambers of Commerce etc.) operating in voluntary action areas. Their assistance can be very advantageously enlisted for improving human development outcomes. Their co-ordination, co-operation and accountability need to be regulated at the government level through the setting up of appropriate machinery for that purpose. The voluntary sector has considerable potential provided it is enabled, monitored and constructively taken on board.

XII.   Priority Areas of Governance Reforms:

64. The priority areas of governance reforms in Uttar Pradesh are briefly summarized below:

(A)   Political Arena

Unless the political system is cleaned up, the hope for other interventions, improvements and reforms, that are certainly necessary and essential, is difficult to realize. For achieving that objective the essential requirements are will and consensus amongst political parties on a set of reasoned positions. Time has come when they should rise above party interests and arrive at agreement on the cleaning up the politico-administrative, electoral, legal justice and the law and order systems. A clear commitment to decentralization and open governance is also needed at the political level.

(B)   Administrative and Economic Domain

(i)   Creating an atmosphere of public safety, security and law and order,

(ii)   Reducing the cost of governance,

(iii)   Capacity building of Government, PSU, PRI/ULB and other institutional/agency personnel,

(iv)   Insulate government personnel, police and public officials from recurrent political interference. Depoliticize civil administration and police force. Ensure tenure security of officers and officials,

(v)   Implement Right to Information Law earnestly, openly and in a citizen-friendly way,

(vi)   Strengthen anti-corruption laws/machinery/institutions with greater emphasis on adopting open and transparent systems of governance and on preventive measures,

(vii)   Introduction of quick and efficient grievance removal systems. High emphasis on e-Governance. Activate and effectively operationalize Citizen Charters,

(viii) Observe financial/budgetary discipline,

(ix)   Reform the Administration of Justice System and reduce costs and time needed for obtaining justice,

(x)   Strengthen democratic decentralization and, importantly, bring about convergence in delivery systems,

(xi)   Factor in environmental safety and sustainability in all economic development processes,

(xii)   Promote and mobilize the voluntary sector for improving and enhancing human development outcomes.

(C)   Fiscal and Financial Management

(i)   Sound fiscal management,

(ii)   Strict enforcement of the Fiscal Responsibility Law,

(iii)   Review of the subsidy regime. Subsidies should be restricted to merit goods and specifically targeted only to properly identified, deserving and eligible groups and individuals,

(iv)   Widening and deepening of the tax base. Rationalizing user charges and moving to cost-based pricing with provision for cross-subsidization where necessary,

(v) Set up Statutory Regulatory Authorities for those service or supply sectors where these do not exist now, e.g. transport, irrigation, water, municipal services, etc,

(vi) Curb on State Guarantees through statutory means,

(vii) Reforms in the Pension and Provident Fund Systems.

(D) Infrastructure and Rural/Urban Development

(i) Step up investments on power, roads, irrigation and transportation substantially. At the same time there must be much greater emphasis on strengthening social infrastructure in areas like health, education, nutrition, women and child welfare, assistance to the old, the disabled and other marginalized groups, gender equity and alleviation of poverty.

(ii) Maintenance of assets already created.

(iii) Power tariffs need to be rationalized and depoliticized. Proper water pricing is equally important.

(iv) For pricing infrastructure related services independent regulatory bodies should be set up.

(v) The legal, financial and managerial environment has to be made conducive to public-private partnerships in infrastructure projects.

(vi) Special attention needs to be given to problems of urban development which are highly complex and demanding.

(E) Poverty Alleviation, Employment and Manpower Planning

(i) Poverty alleviation must become central to economic planning by tackling the huge back-log of unemployment and absorbing additions to labour force. While employment guarantee can be a distant goal, social security needs to be improved. Development planning has necessarily to be made manpower intensive,

(ii) The present labour laws need to be amended. Self-employment must be given high priority,

(iii) Skill formation has to be given high importance. Skills need to be upgraded at all levels.

(F) Environment-friendly Development

(i) Environment friendly growth is the strategy needed for achieving long term, equitable development,

(ii) Environmental awareness must be enhanced in all possible ways so that resource uses become sustainable in the longer time perspective.

XIII. Conclusion

65. In a fast moving world governments have to live with and respond to change. Governance has to ensure that such change does not cause disparities to increase or give rise to insecurities, social unrest and dislocations. We need a middle path whereby empowerment of people and freedom of choice can stimulate welfare, equity and entrepreneurship, where development creates incomes, work and opportunities and it becomes sustainable. The Government has to become catalytic. It should steer, not row. The Government has to be efficient, open, mission-driven and result-oriented. It has to be citizen-friendly, especially for those who are weak and deprived. It has to move from centralization to decentralization, delegation and devolution. It should become committed to the deepening of democracy and strive for greater equity and empowerment of people. All this will necessarily demand peace and tranquility in the society, clean and competent political management, empowered local bodies and public institutions, efficient, honest and accountable bureaucracies (general as well as technical), an administration with compassion and outreach, use of the most modern information and communication technologies to enhance people's access to entitlements and redressal, sound fiscal policies, ethics-led businesses, rule of law, strong institutions and informed citizenry. The challenges are onerous. The answer lies in positive and determined responses.

66. In the present age of globalization, liberalization and competition there is, at times, an impression created that the role of government is on the decline. This is certainly not true of a country like India or a State like U.P. where poverty, deprivation and want still prevail in a very considerable measure. In human development contexts special attention is needed to be paid to physical (power, water, roads, transportation, housing, etc.) and social (health, education, food and nutrition security, welfare of the weak and the marginalized) infrastructure, and the creation of opportunities for employment and self-employment. In the pursuit of a widely-shared and sustainable growth, the market forces would have to be tempered by enabling, equity-oriented policies and laws, good governance, strong institutions, regulation and vibrant peoples' democratic bodies. The market and the state have to complement and supplement each other.

67. Resources are vital but good governance is the *sine qua non* for reaching them to people in optimal ways. Governance deficit does not allow equitable development to materialize. Removing it has to be a strong and unexceptionable priority of policy and action.

68. U.P.'s progress on human development indicators calls for a paradigm shift in governance. It calls for empowerment of the people. It calls for a policy framework focused on fundamental rights and freedoms, a framework that guarantees the right to be free of poverty, ill health, illiteracy. It must confer on all citizens the right to know how money allocated for public purposes is actually spent. It should distinctly be a framework that strengthens rights and punishes wrongs.