Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capacity levels, on one hand, and provide opportunities to realise their potential and enlarge the set of available choices, on the other. The State is responsible for creating a conducive environment for building individual capabilities and encouraging private initiative.

In the Tenth Plan document, the Union Planning Commission has argued that efficient governance requires efficient institutions and the efficiency and effectiveness of institutions, in turn, depend on their adopted delivery mechanism and the supportive framework of rules and procedures. Each of these needs to work in harmony with the other to discharge the functions for which the institutions have been created, “only then one would expect the institutions to fulfill their stated objectives and carry out their assigned responsibilities in managing the affairs of the society.”

The Union Planning Commission’s exhaustive agenda for improving governance includes improved people’s participation, effective decentralization of governance, involvement of civil society, especially voluntary organizations and the crucial right to information. The agenda also includes civil service reforms aimed at improving transparency, accountability, efficiency, fair play and honesty, procedural reforms for public-government interface to get rid of the system of unnecessary rules, procedural regulations and controls, reform of revenue system and mobilization of resources and judicial reforms with a view to hastening the process of delivery of justice.

To make governance meaningful and effective, the Commission has underlined systematic and professional programme/project formulation, synergy and co-ordination between different government departments and agencies, rationalization of centrally sponsored schemes using zero-based budgeting and more effective monitoring and evaluation.

It has been pointed out that entrepreneurs setting up an industrial unit need a very large number of permissions from various departments, each of which results in harassment and delay and even corruption. The cumbersome procedures result in high transaction costs. Sweeping reform of these regulatory systems is needed to reduce the transaction costs of doing business. Simplified procedures and one-window arrangements to improve the business climate will help in this direction. (This has been dealt with in chapters 2.2, 2.4 and 10 of this document).

Having regard to the suggestions contained in the discussion paper on Medium-term Fiscal Reforms Strategy for States and the Approach Paper to the Tenth Five Year Plan, the operational decisions that would lead to better governance may be summarized as follows:
(a) **Stability of tenure**—It is necessary to have a certain security of tenure (at least two years) in every post barring cases of promotion, retirement, long leave and other exigencies of administration.

(b) **Transparency and corruption**—Transparency makes the administration more responsive and performance oriented. Transparency should be built into all official procedures and systems and all relevant information made available to the people. The Right to Information Act should be followed in letter and spirit rather than over-emphasising on the Official Secrets Act. Each department must bring out periodically Citizen’s Charter establishing clearly enforceable norms. All developmental programmes and schemes should be explained to the beneficiaries in the language which can be comprehended by them and, along with this, the procedures for obtaining benefits must also be made explicable to them. The purpose is to educate the vulnerable citizens and to guard them against exploitation rooted in ignorance. Education and alertness also act as antidotes to corruption.

An in-house vigilance cell comprising honest officers of integrity would be in a better position to control corruption than any external agency. Vigilance is a management function aimed at enhancing organizational efficiency. It needs to be practised by every individual to safeguard the interest of the institution in which he or she is employed. Computerised systems (e.g., railway passenger reservations) will help in curbing corruption.

In bureaucracy, rigorous training in rules and procedures and the indoctrination of a careful code of ethics subscribed to and understood by all levels of officials can be helpful in suffusing the administrative system with a positive value pattern.

“Prevention is better than cure”. This maxim, of universal application, holds good in administration and more so in respect of prevention of corruption, as it would be much better to devise systems and measures to prevent corruption rather than to investigate cases and prosecute public servants through a complex and time-consuming process.

Swift action in the form of transfer, suspension, etc., to begin with, and proper and prompt disposal of enquiry / investigation at departmental level or by the Vigilance agency is essential to create confidence in the minds of the general public to freely come forward and give complaint against the errant and corrupt officials.

The battle against corruption can be fought by initiating and sustaining administrative reforms which can directly or indirectly contribute to the mitigation of corruption. Where the level of literacy is low and the share of rural population very high, administrative procedures require maximum
possible simplification --- less comprehensible procedures lead to over-
dependence on the bureaucracy.

Moral rearmament of society is overdue. Moral education must be
 imparted right from the start of life and to this end a restructuring of the
educational syllabus is imperative. The family and the school are the two
important social institutions, which must be activated to articulate and
reinforce moral values.

(c) **Controlling expansion of bureaucracy and improving productivity**-
The size and scale of the civil services will have to be in relation to the role of
the government which has been changing in the context of liberalization of
economy and reduction of controls. An effective re-deployment plan for
surplus staff has to be worked out and a liberal system for exit. With more
goal orientation, professionalism, accountability and sensitivity at all levels,
the performance will be much better.

(d) **Involvement of NGOs/ community in Governmental programmes**-
There is a need to undertake devolution of power to manage local affairs and
decentralization of decision making. NGOs/ community should be involved in
a big way in the formulation and implementation of programmes. This has
been discussed in detail in chapter 2.5.

(e) **Functioning of Panchayat Raj Institutions (PRIs) and
decentralization of Planning**- The PRIs have not been able to perform as was
envisaged by the first round of devolution in the wake of the 73rd/ 74th
Amendment of the Constitution. The financial condition of the local bodies is
difficult in most of the cases and they do not have adequate revenue raising
powers. Though providing a framework for decentralized rural development,
the PR system has not been able to enhance participation and empowerment
as effectively as would be desired. The accountability of the local bodies
needs to be strengthened. A code of conduct should be evolved for all
functionaries. The newly elected members need orientation. (Chapter 2.6 may
also be referred to in this regard).

(f) **Promoting use of IT**- Computer-based information systems should
be developed so that discretion and delay can be reduced. Electronic
governance is fast emerging as an important tool for achieving good
governance especially with regard to improving efficiency, transparency and
making interface with government user friendly. E-governance denotes the
application of IT to the processes of government functioning in order to bring
about better governance which has been termed as SMART (simple, moral,
accountable, responsive, and transparent).

(g) **Effective implementation of development programmes**- There is a
need for effective monitoring of all programmes. Monitorable targets should
be fixed for each programme/ scheme and the performance reviewed
periodically. Monitoring and Evaluation (M & E) should be an integral
component of all big programmes. Apart from the Evaluation Directorate
(which can do evaluation only on a limited scale), academic institutes could be
commissioned for monitoring and evaluation. It is axiomatic that resources
should be utilized prudently to the best advantage of the society. It entails
attainment of efficiency, i.e., obtaining the maximum output with the given
inputs. The role of monitoring and evaluation assumes significance in securing the best value of the investment and ensuring that the targeted groups/regions are benefited as envisaged in the design of the programme itself. They serve as the scanner to see through the impact of the programme on target groups/regions, diagnose the dysfunctionalities standing in the way of the implementation process and indicate the remedial measures to tune up the efficacy of the implementation of the programmes evaluated.

(h) ‘Single window clearance’ procedures and ‘investor assistance cells’ have to be made more effective. Rules and regulations governing entry and operations need to be rationalized and notified in a comprehensive and transparent manner assigning accountability of each functionary.

(i) Human Resource Development- It is common knowledge that without a continuous development of employees’ competencies, no organization can function well. HRD is a process by which the employees of an organization are helped in a continuous and planned way to acquire and sharpen their competencies required to perform various functions and discover and exploit their inner potentials for their own and/or organizational development purposes. Training is a very critical element in setting the HRD process in motion and making the people more competent for the job. Training of the staff has, therefore, to be taken up in a big way and this should not be merely a one-time affair but a continuous process with periodical refresher courses. The training programmes need to be tailored to the job requirements.