TRANSPARENCY AND ACCOUNTABILITY IN GOVERNANCE: AS REFORMING TOOLS IN INDIA

Ravinder Singh
UGC/NET-(Public Administration),
VPO Ranila, Distt. Ch. Dadri.

Abstract :

In the past decade there has been enormous growth in Transparency and Accountability initiatives in private and public sector functioning's in India, Rationale behind the advent of these ingenuities is to address developmental failures and to fill in the gaps of democratic deficiencies in the most effective way. The radical step of bringing transparency and accountability in governance not only helps in correcting the faulty institutional mechanism but also helps in gaining trust and goodwill among various stakeholders for an organization. Transparency and Accountability in Governance, today is widely used as indispensable visionary tool of reforming, which helps the organization to rectify the system discrepancies for the better functioning of the day-to-day administrative operations, along with the gratification to all its stakeholders. Present paper examines & critically reviews the use of transparency and accountability in governance as reforming tools in Indian context exploring both private as well government organizations, it essentially highlights links between transparency & accountability along with the gaps found in the reforming structure. The conceptual framework of SWOT analysis is applied to study the transparency & accountability initiatives taken as a part of better governable reforms, the conclusion arrived at, from the SWOT analysis is to determine the optimum level of transparency & accountability in governance necessary for an organization. The final proposal in the paper aims is to derive ideal level of transparency & accountability in governance across the various industries.

Keywords: Transparency, Accountability, Reforms, Governance, India.

Governance:

The concept of "Governance" is as old as human civilization. "Governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.3 Good governance or bad governance can be adjudged on the basis of defining objectives, arriving at decision to attain the set objectives, overall consequences of the implemented decision and most essentially having a provision to setup the standards to perform the decision making process. Sole attainment of set objective through decision making is not just the criteria for good governance its overall consequences and standards formed are also taken into the considerations. Eg:-If a state government is recruiting young engineering graduates for their developmental projects, as part of their good governance procedure state government should give proper justification behind the selected candidates, mere selection of the candidates with an ambiguous selection process would never be called as a good governance.

Who are the Stakeholders?

A person, group, or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives and the policies.The key stakeholders in an organization are :- Employee of an organization-Internal Customers, Shareholders- Investors, Customers - Prospectus, Professional

Association, Media, Investment Analysis- Financial community, Vendors, Community Organizations –Volunteers, Academic Institutions- Industry Expert, Strategic Alliances- Partners, Competitors, Government- Regulators, Organization Board of Directors, General Public.(Maclnnis,2011).5

Transparency: From the viewpoint of economics, the issue of transparency can be better understood by focusing on "information asymmetry." A situation in which information asymmetry exists is described as a "lack of transparency" or "opaqueness". Transparency is about making our decisions and actions visible to others (Berg, 2010).6 it is about sharing and disclosing the necessary information to the stakeholders. Transparency is about responsibility and recognition; it not only builds organization's trustworthiness but also brings individuals and their ideas together. Transparency upholds idea of non-secrecy and openness of information in administration. Good transparency policy in organization not only inform the people about decisions that affect them, but also lets them know the grounds on which such decisions have been taken.

Characteristics of Good Transparent Policy- It should provide information that is easy for the interested party to use; it should strengthen user groups; it helps disclosers to understand users 'changed choices'; Design metrics for accuracy and comparability; it should be designed for comprehension; it should Incorporate analysis and feedback from the user group; and transparency & openness should promote accountability (Fung Accountability: The obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in transparent manner in front of the stakeholders. It also includes the responsibility for money or other entrusted property of an organization.

Difference between: Responsibility and AccountabilityResponsibility: -"A sphere of duty or obligation assigned to a person by the nature of that person's position, function, or work."9 Accountability: -"is the readiness or preparedness to give an explanation or justification to relevant others (stakeholders) for one's judgments, intentions, acts and omissions when appropriately called upon to do so."(Bivins, 2006)

Linkages:Transparency & Accountability: Accountability is the complementary function of Transparency; if system of governance is transparent enough it would promote accountability, Transparency and Accountability are linked vis-a-vis its mission of an organization, Transparency and Accountability are linked vis-a-vis its performance in relation to that mission(Tandon,1995)

Transparency & Accountability In Governance: Reforming Tools: Now, that we know the meaning of transparency, accountability and governance. We would be here discussing the significance of transparency & accountability in governance. Transparency & Accountability are important aspect of good governance, as it positively portrays the functioning of the organization among the various stakeholders; Transparency in their functioning gives organization due creditability. It also promotes the standardized system oriented approach in decision making across the organization, along with the reduced chances of biased and irrational non-standardized decisions. Advantages of Transparency & Accountability in the Governance: It reduces the chances of corruption, favoritism, nepotism and the like; transparency & accountability in governance of an organization improves the accountability of the staff.

Concept of e-Governance: e-Governance is the application of information & communication technologies to transform. The efficiency, effectiveness, transparency and accountability of informational & transactional exchanges with in government, between govt. & govt. agencies of National, State, Municipal & Local levels, citizen & businesses, and to empower citizens through access & use of Information (Mahapatra,2006)

E-Governance by government of India, allows for government transparency. Government transparency is important because it allows the public to be informed about what the government is working on as well as the policies they are trying to implement. It promotes accountability in all government dealings, in recent times many

Indian states have come up with various eGovernance schemes to facilitate smooth functioning in their day to day administrative affairs. Advantages of RTI and e-Governance Improving Government Process: e-Administration, Connecting Citizens: e-Citizens and e-Services, Building interactions with and within civil society e-society,14 Empowerment of the General Public at large and Building Ethics and Integrity in the Governance.

Private Sectors: India Transparency in governance is not just restricted to government; to gain good will and reputation among the various stakeholders especially customers, private organizations are also making their procedure and process transparent for the public; they are strictly abiding the code of conduct along with clear objectives and visions. Emergence of Corporate Governance To promote healthy a set of relationships amongst the company's management, its board of directors, its shareholders, its auditors and other stakeholders, Corporate governance emerged out. Corporate governance includes 'the structures, processes, cultures and systems that engender the successful operation of organization.' Corporate governance is laid on the foundation of Transparency, Accountability, Control, Trusteeship and Ethics.

Corporate Governance in India a Brief Note :

It started in 1997, with formation of Kumar Managalam Birla committee which laid down its outline on Corporate Governance. Accordingly, Companies act was amended in the year 2000 and introduced the concept of: Audit committee : Here the emphasize was laid on independent directors so that there could be proper utilization of public money for achieving the objectives of the company. Directors Responsibility statement: under these statements the director tackles the responsibility that all the legal provisions have sbeen complied with and the accounting standard adheres in the preparation of financial statement. Subsequently Clause 49 was introduced in the listing agreement which was revised by N Murthy committee and gave the importance to Definition of independent directors as such Certificate by CFO & CEO, Quarterly review of accounts, Risk Assessment & Mitigation strategy of the company and Code of Conduct for top Management Conclusion: In the year 2004,Richard Calland and Guy Dehn in their book White blowing around the World, has written about the King II who confirms that there is a move away from the single bottom (i.e. profit for shareholders) to triple bottom, which clasps the company' s socio-economic activity. In the words of the King's Committee.

References :-

Andrew, Sheng (1998). 'Transparency, Information Technology & Governance at international conference on company sectaries', Retrieved from: - h t tp : / / w ww. s f c . h k / s f c P r e s s R e l e a s e / E N / sfcOpenDocServlet?docno=8PR102, Accessed on May 11th 2013.

Berg, Oscar (2010) "Why transparency is key to Enterprise 2.0" Retrieved from :-http://www.aiim.org/community/blogs/expert/Why-transparency-is-keyto-Enterprise-20,Accessed on May 6th 2013

Bivins, Thomas (2006). ' Responsibility& Accountability in Ethics in Public relation' 1st ed, Sage publications Inc, pp-20-22

sssCarstens, Agustín (2005) "The Role of Transparency and Accountability for Economic Development in Resource-rich" at the Regional Workshop on Transparency and Accountability in Resource Management in CEMAC Countries Malabo, Equatorial Guinea countries, Retrieved from: http:// www. i m f . o r g / e x t e r n a l / n p / s p e e c h e s / 2 0 0 5 / 012705.htm,Accessed on May 5th 2013

Fung, Archon; Graham, Mary; Weil, David and Fagotto, Elena (May 2007). "Transparency Policies : Two Possible Futures" Taubmen Centre for Policy Briefs (PB-2007-1) 'King report on corporate governance for south Africa(2002)'-What it means to you Retrieved from h t t p : / / www. me r v yn k i n g . c o . z a / d o wn l o a d s / CD_King2.pdf,Accessed on May 12th '2013.