# Good Governance in India: Reforms in Local- Self Government

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## Abstract:

Good governance and management requires clarity about responsibilities, access to information about how the government  works and using competition to achieve value for money in service delivery. The elements of accountability, the governance and contestability are required to be reflected in the governance and management structures and processes of the local- self government. Good governance lies in the goals and objectives of a government, in its policies and programmes in the manner of their execution; in the results achieved and above all in the general perception of the people about the quality of functioning of its various agencies, their attitudes and behavior towards the public, their sincerity, honesty and commitments toward public duties. It is also important to see that there is no undue concentration of power. The present paper is an attempt to highlight the concept of Good Governance in Indian context and highlights some of the reforms in Local-self government.

**Key Words:** Good Governance, Reforms, Decentralization, Local- Self Government,

## Introduction:

A government is a complex institution created to look after the safety and welfare of the people. Good Governance is dependent mainly on the excellence of human beings forming government and the enlightened citizens. It has been rightly said that human rather than capital is the key to development. Good governance and management requires clarity about responsibilities, access to information about how the government  works and using competition to achieve value for money in service delivery. The elements of accountability, the governance and contestability are required to be reflected in the governance and

management structures and processes of the city.[1] Thus, the test of good governance lies in the goals and objectives of a government, in its policies and programmes in the manner of their execution; in the results achieved and above all in the general perception of the people about the quality of functioning of its various agencies, their attitudes and behavior towards the public, their sincerity, honesty and commitments toward public duties. It is also important to see that there is no undue concentration of power.[2]

Cities are engines of growth and slum dwellers are integral and essential participants in its development. Hence they need to be included in the mainstream of the society by increasing their productivity and decreasing the inequality in society.[3] The Slum Networking Project has shown that through the partnership concept, slums can be upgraded at a very low cost and slum dwellers find their own resources to upgrade their shelter, once infrastructure facilities and adequate tenure security is given. Provision of essential services alone is not enough, the softer interventions, through community development, which bring about attitudinal changes in the slum residents, are equally important.[4]

**Good Governance**

Good Governance is the key to providing incentives for improvement in service delivery. It focuses on inclusive planning and management, accountability and transparency, and enduring security for citizens, especially in urban poor and disadvantaged. A number of different areas vital for good governance are required to be identified. Their introduction and linked institutional transformation necessitates continued service of professional urban managers. This requires attention at the state and at times national level as it may entail changes in recruitment and policies. Therefore, it will need to be integrated with macro-reforms.[5]

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[1] B.Sengupta, India: The Problem of Governance, New Delhi: Konark Publications, 1995, p.vii

[2] ibid, p.12

[3] R.S.Tiwari, Good Governance: Populist Democracy to Quality Democracy, The Indian Journal of Public Administration, October- December 2002, Vol.XLVIII, No.4, pp.584-585

[4] Bata Dey, Defining Good Governance, Indian Journal of Public Administration, Vol.XLVIII, No.3, 1998, p.420

[5] Chandigarh Tribune, November 7, 2003

Governance is the manner in which authority, control and power of government is exercised in mobilizing the social and economic resources of the society to address the issues of public interest. It is the art of governing, associated with the exercise of authority within specific jurisdiction and in embedded in the structure of authority. Good governance is epitomized by predictable, open and enlightened administration, respect to basic human rights and values, strengthened democratic institutions and effective institutional as well as structural framework to ensure accountability and transparency.

The Oxford Dictionary defines Governance as the act or manner of governing, and the office or function of governing while govern is inter alia defined as rule or control with authority; conducts the policy and affairs of an organization or the way of control. Good Governance is the system which is accepted as good. Peter Drucker draws the attention towards the concept that governing is not doing.[6] It could be inducing or making it easy for others to do. Pai Panandiker sees good governance as it pertains to a nation, which handles its people to lead a peaceful, orderly, reasonable, prosperous and participatory lives.[7]

The Human Development Report (2002) has identified a few reasons for having good governance. From the human development perspective good governance is identical to democratic governance. Democratic Governance means:

1. People's human rights and fundamental freedoms are respected, allowing them to live with dignity.
2. People have a say in decisions that affect their lives.
3. People can hold decisions, which are accountable.
4. Women are equal partners with men.
5. Private and public spheres of life and decision- making.
6. People are free from discrimination based on race, ethnicity, class, gender or any other attribute.
7. The needs of future generations are reflected in current policies.
8. Economic and social policies are responsive to people's needs and aspirations.

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[6] R.C.Sekhar, Ethical Choices in Business, New Delhi: Sage Publications, 1997, p.34

[7] Journal of Rural Development, Vol.16, No.4, 1998, p.2

9. Economic and social policies aim at eradicating poverty and expanding the choice that all people have in their lives.[8]

## Elements of Good Governance

**Accountability:** Accountability means decision makers accept responsibility for their decisions. Good governance and management requires clarity about where responsibilities lie. Accountability means having information available and processes applied so that those responsible for decision- making can be called to account for their decisions.

**Transparency:** Transparency relies on a presumption of access to information about how the government works, i.e., transparency means operating in a manner that is open, honest and amenable to questions, provided there is ready access to information. A transparent government is characterized by:

a. Public ability to influence decision processes.
b. Public involvement on all plans and significant issues.
c. The development of annual plans.
d. Monitoring against agreed performance indicators.
e. Separation of strategy, policy development, regulation setting and funding from provision and enforcement.[9]

**Contestability:** Contestability is about using competition to achieve value for money in service delivery. There is greater evidence to suggest that services provided by the public sector are more expensive than those provided by the private sector. There are many reasons for this. Sometimes it is because the public service is very inefficient. Sometimes it is because the private sector has better access to technology or resources. Whatever reasons

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[8] Ashok Kumar Saha, Poverty Alleviation in Developing Countries, Journal of Rural Development, NIRD Hyderabad, Vol.21, No.2, April- June 2002, p. 273

[9] Anil Dutta Mishra (Edited), Gender Perspective Participation, Empowerment and Development, New Delhi: Radha Publication, 1999, p.78

are, Urban Local Government has a responsibility to ensure that services are provided in the most in the most cost effective manner.[10]

Contestability means choice in the provision of services through open competition between potential providers. This may compel an Urban Local Government to make a choice between public and private service provision. The outcome of contestability is more efficient use of community resources to deliver services required by the public.

## Constitutional Amendment

An Urban Local Government is a public institution concerned with community welfare, social justice and economic prosperity of its people. The Urban Local Body is supposed to manage resources in public trust and is closest to the people. These two aspects play a prime role in deciding the quality of the urban li9fe and thereby the level of urban productivity. They make the three sutras of new millennium accountability, transparency and contestability indispensable for the good governance of the urban local bodies. Thus by its very nature or by ist constitution it has to be efficient, transparent and accountable to the public. The objective of good governance is not only philosophically relevant but has become a compelling necessity for urban local bodies.[11]

To ensure people's participation, the 74th Amendment to the constitution brought about a third tier of representative governance at the town level. It may be added that 74th Amendment Act has the potential of establishing at least the procedural part of good governance. The decentralized system of elected governance has certain inherent advantages, e.g., it will bring efficiency as decision makers, who live locally are likely t o know about local conditions and would be in a position to match resources and needs more precisely. Secondly, it will also bring accountability in the sense that the decision makers

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[10] G.Narayan Reddy, D.B.Rao, Empowering Women through Self- Help Groups and Micro Credit: The Case of NIRD Action Research Projects, Journal of Rural development, Vol.21, No.4, October- December, 2002, p.515

[11] Girish K.Mishra, Empowerment of Women in  Urban Local Bodies for Good Governance, Nagarlok, Vol. XXXIV, October- December 2002, No.4, p.51

live and work in close contact with the users and as such are exposed to more effective security and greater pressure to deliver the goods.[12]

Apart from these advantages, there are also more opportunities for local people to participate in planning services and to pay for them in the form of taxes. It is an established view that local governments tend to give higher priority than central government to human development. Further, people's participation through local bodies will prove to be a panacea for all evils of misgovernance. They have the potential for good governance at the local level provided they are institutionally, financially and legally supported by the existing power structure. It has substantially declined over the years due to undefined role which led to systematic erosion in the municipal functional domain, inadequate resource base, a weak executive and pervasive state control.[13]

**Role of Municipalities**

A key aspect in designing an efficient system of service delivery is to define a clear role for the municipalities. Many of the municipal services are in the nature of publicity provided private goods. The pervasive inability of municipalities to finance and manage the large volume of municipal tasks makes out a case for privatization and public- private partnerships where possible.

The establishment of good urban governance in the world s towns and cities is for only providing people with access to basic social services promoting decentralized decision making, improving city environment quality, but at the same time assuring economic growth, job creation, social cohesion, poverty alleviation and equity.

**Empowerment of Panchayati Raj Institutions**

Even after the passing of historical 73r Amendment, the powers have not been given to Panchayati Raj institutions. It was Rajiv Gandhi's brainchild to empower Panchayati Raj

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[12] Dharma Vira, Citizen Participation, Encyclopedia of Social Work, Vol. I, p.102

[13] Renu Khosla, From Disempowerment to Empowerment, Shelter, Vol.III, No.4, Human Settlement Management Institute, New Delhi

institutions.  The problem being face d by the concerned authorities is that no department is ready to dilute its authority by handing over powers to these Panchayati Raj institutions. Officials feel that these departments might be closed once powers are handed over to these bodies. Examples are being cited in this regard. In addition to the political support and commitment, at the administrative level review and changes are essential in the following areas:[14]

a. The provisions of the Municipal Act.

b. Administrative set up & decision- making process.

c. Human resources policies including training and rewards.

d. Cost saving measures.

e. Systems and procedures and use of automation wherever possible.

f. Optimum utilization of non- movable assets.

g. Billing and recovery/collection system, identification of areas of revenue leakage and suggesting measures to eliminate the leakage.

h. Accounting systems and MIS.

i. Resources mobilization from non- tax sources.

j. Introduction of quality control systems in all services.[15]

Some of the important areas where such reforms are essential and the scope of reviews of specific aspects related to these areas are discussed below:

a. Legal and organizational aspects of the Municipal Corporations provisions of Municipal Act controlling operations of various functional areas of Municipal Corporation.

b. Organizational structure.

c. Allocation of functional duties and responsibilities.

d. Workload assessment.

e. Obligation/discretionary functions and assigning functional responsibility.

f. Job specifications.

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[14] Shelter, Vol.III, No.4, October, 2000, p.111

[15] V.Suresh, P.Jayapal, Towards an inclusive city in the New Millennium, Shelter, Vol.II, July- October, 1999, p.9

g. Span of control and channels of communication.

h. Possibility of decentralization of functions at the field/ward office levels.

i. Delegation of powers at the field office/ward office levels.[16]

## Financial Position of the Municipal Corporations

a. Efficiency of tax collection and analysis of outstanding.

b. Expenditure analysis.

c. Existing and projected debt servicing requirements and coverage.

d. Projected revenue and expenditure growth.

e. Dependence on state government for discretionary grants and funds transfers.

## Systems and Procedures

a. Systems and procedures and level of computerization, identification of areas suitable for automation.

b. Project management capabilities in key infrastructure areas.

c. Initiatives taken for enhancement of resources.

d. Level of control exercised on expenditure

## Suggestions for reforms for Good Governance

Urban governance needs to be strengthened by vigorously pursuing the decentralization initiatives envisaged in the Constitution 74th Amendment Act in regard to executive system, functional domain, intra- city decentralization and authority to the municipal governments to set their own tax rates and charges. It is also imperative to inject into the urban governance process elements and attributes of good governance, including participation of the civil society. The following measures need to be taken to improve urban governance and strengthen the local bodies.[17]

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[16] Krishna Gowda, M.V.Sridhara, P.Raj Mamatha, Planning for the 21st Century: A Case Study of Bangalore, Shelter, Vol.3, No.1, HUDO Publication, 2000, pp.7-8

[17] Shreekant V.Khandewala, Health Administration and the Weaker Sections in an Indian Metropolities, New Delhi: Devika, 1996, p.4

## Democratic Decentralization

Empowerment and strengthening of the municipal governments by devolving powers and authority as required by the Constitution Amendment Act in general and under Article 243 W of the constitution in particular.[18]

Constitution of the District and Metropolitan Planning Committees, as per the provisions of the Constitution Amendment, to ensure formulation of realistic and effective integrated development plans incorporating resource mobilization plan.

Intra- city decentralization of municipal governance through zonal committees, ward committees in the large cities and provision for representation of NGOs, CBOs and Resident Associations on these committees.

## Improving Service Delivery

Develop incentive structure to encourage local- self government in efficient and responsive urban service delivery.

Professionalization of the municipal personnel system and modification of existing recruitment rules.

Strengthening of the State Directorates of Municipal Administration and decentralization of their operations at the regional level to take care of the management needs of municipal governments in the small and medium towns.

Replace incentives that produce a negative effect and act as constraints to efficient service delivery by those that encourage reform and improve the delivery of services.[19]

Constitution of technical support groups should also be constituted in every municipality to supervise the works at the local level.

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[18] A.K.Neog, Urban Poverty in Urbanization and Development in North- East India, New Delhi: Deep & Deep Publications, 1995, p.70

[19] Jean Paul Jardel, Health in the City, World Health, March- April, 1991, p.3

## Facilitating Private Sector and People's Participation

Development of proper relationship and systems for interaction with and participation of NGOs, CBOs, Resident Associations, professional groups, industries and other organs of the civil society in municipal governance.

Active co-operation of citizens in the maintenance of the municipal service.

Promotion of initiatives for privatization, contacting out of municipal services to private operators and producers and Communities Development Societies (CDS) & DWACUA groups formed under SJSRY.[20]

## Capacity Building

Municipal capacity building in the spheres of staffing, municipal personnel system, financing, accounting and adding to the knowledge and skills and bringing about a perceptible change in the attitude of municipal functionaries.

Preparation of trading needs assessment and a training plan for up- gradation of knowledge and skills as also changing the attitude of municipal functionaries.

Institutional mechanism to provide the required technical support to DPC and MPC.

## Improving Urban Planning Process: Measures and Reforms

The following measures and reforms are required for making the urban planni8ng process more effective and relevant to t he present- day urbanization scenario:

Adopt an urban planning system that integrates the physical, economic and social development components.

Create a system that enables updating of existing norms and space standards keeping in view the economy, security, social viability and needs of the urban region.

Re-structure the existing agencies at the metropolitan and district levels to fit in the new planning and development framework.

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[20] Arvind K.Sharma, People's Empowerment, Indian Journal of Public Administration, July- September 1996, p.236

Streamline the regulatory framework and development control norms for implementation and enforcement of plans.

## Amending the Relevant Acts

Amend Town Planning and Municipal Acts to assign planning and development functions to municipalities and to include all the merging needs of planning and development in the light of the Constitution 73rd Amendment Act.

Review Municipal Acts of various states to provide for public private partnership.

Amend the Land Acquisition Act appropriately to facilitate the speedy acquisition of land to expedite enactment of a separate Act for land acquisition for development purposes in urban areas.

Amend the Building Bye- Laws to incorporate provision for affordable land/shelter for the poor, women, children and persons with disabilities.

Making titling and registration system unambiguous and tax the incremental value of land at the same rate as stamp duty and registration fee levied at the time of transfer.,

Impose tax on conversion of land from agricultural to non- agricultural uses, rationalize stamp duty on transfer of rights.

Encourage compatibility mixed land uses and high- density development and strictly enforce zoning regulations.

## Encouraging People's Participation

Create appropriate environment and make provisions in the relevant Acts to effectuate the involvement of private, co-operative and corporate sectors in land assembly, development, disposal and construction of housing.

Identify areas for involvement of the private sector, NGOs, CBOs and people's participation in planning, development, implementation and enforcement in the planning process.[21]

## Provide Technical Assistance

Provide technical and financial assistance for development of data bases and information systems, including inventory of land records and Geographical Information System (GIS), at the district/metropolitan and town levels.

Encourage preparation of Development Plans/Regional Plan by initiating a centrally sponsored scheme at least for Class- I Towns.

Provide assistance for developing information system on municipal revenue and expenditure at the National Institute of Urban Affairs through state level information cells created at State Directorates of Municipal Administration and other state level organizations. Provide training to urban managers in a comprehensive and specialized manner through specialized institutions at national, regional and state levels.

## Addressing Mismatch between Functions and Resources

Address the existing mismatch between the functions devolved and the devolution of taxes to the municipal governments through fiscal decentralization.

Provide more autonomy to the municipal governments to set their own tax rates and user charges.

Ensure that the funds made available to the municipal governments are used efficiently and effectively.[22]

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[21] P.K.Bajpai, People's Participation in Government, Indian  Journal of Public Administration, October- December, 1998, p.36

[22] P.K.Bajpai, People's Participation in Government, Indian  Journal of Public Administration, October- December, 1998, p.36

## Conclusion:

For Good Governance, the administration has to be accessible. I implements developing countries, it is the government which initiates and development programmes. It must gain support of people in the discharge of these programmes, particularly at the cutting edge. Such support would strengthen democracy as well as a positive response of the community to development programmes, which should be the ultimate goal of good governance.

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2. ibid, p.12

3. R.S.Tiwari, Good Governance: Populist Democracy to Quality Democracy, The Indian Journal of Public Administration, October- December 2002, Vol.XLVIII, No.4, pp.584-585

4. Bata Dey, Defining Good Governance, Indian Journal of Public Administration, Vol.XLVIII, No.3, 1998, p.420

5. Chandigarh Tribune, November 7, 2003

6. R.C.Sekhar, Ethical Choices in Business, New Delhi: Sage Publications, 1997, p.34

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15. V.Suresh, P.Jayapal, Towards an inclusive city in the New Millennium, Shelter, Vol.II, July- October, 1999, p.9

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