
UNIT 1 GOVERNANCE: AN OVERVIEW

Structures

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1.1 INTRODUCTION

The concept of “governance” is as old as the concept of a state or the existence of a monarch. In other words, it is as old as human civilization. The meaning of governance can be understood differently in terms of context and space, however, the most commonly understood meaning is - 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, local governance and environmental governance. Since governance is the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision.

Government is one of the actors in governance, and the other actors involved in governance vary depending on the level of government that is under discussion. In rural areas, for example, other actors may include influential land lords, associations of peasant farmers, cooperatives, NGOs, research institutes, religious leaders, finance institutions political parties, the military etc. The situation in urban areas is much more complex as the interconnections between actors involved in urban governance are more diversified. At the national level, in addition to the above actors, media, lobbyists, international donors, multi-national corporations, etc. may play a role in decision-making or in influencing the decision-making process. All actors other than government and the military are grouped together as part of the “civil society.” In some countries in addition to the civil society, organized crime syndicates also influence decision-making, particularly in urban areas and at the national level. Similarly, formal government structures are other means by which decisions are arrived at and implemented. At the national level, informal decision-making structures, such as “kitchen cabinets” or informal advisors may exist. In urban areas, organized crime syndicates such as the “land/builder mafia” may influence decision-making. In some rural areas locally powerful families may make or influence decision-making at village level.

The thrust of this unit is to analyze the genesis and concept of urban governance evolving to meet the various goals of development, and meet the social requirements of urban population. As a process, governance may operate in an organization of any size: from a single human being to all of humanity; and it may function for any purpose, good or evil, for profit or not. Perhaps, the moral and natural purpose of governance consists of assuring, on behalf of those governed, a worthy pattern of 'good' while avoiding an undesirable pattern of 'bad'. The ideal purpose, obviously, would assure a perfect pattern of good with no bad. A reasonable or rational purpose of governance might aim to assure, (sometimes on behalf of others) that an organization produces a worthwhile pattern of good results while avoiding an undesirable pattern of bad circumstances.

After studying this unit, you would be able to:

- understand the evolution of the concepts of governance in urban areas;
- describe the types of governance;
- explain the scope and purpose of governance;
- distinguish between centralized and decentralized, and formal and informal governance systems;
- analyze challenges and attributes of good urban governance.

1.2 GOVERNANCE: CONCEPT AND IMPORTANCE

Governance is a concept which is used in different meanings in different contexts; it varies from narrow structural definition of its management of public affairs by government constituents i.e., legislation, executive and judiciary, to the processes that ensure deliveries, participation, justice, respect of rights, innovation and networking. The term 'governance', is derived from the Greek term, *kubernao*, which means 'to steer'. So, governance is the process that steers affairs of the State. In ancient times, the Greek philosopher, Plato used the term, governance, in reference to the affairs of the state. The term came into the limelight with the publication of the World Bank's report on sub Sahara in 1989. The report said that development initiatives taken up by the World Bank had not been able to produce the desired development benefits due to the weak role of the state, and its ineffective institutions. Summarizing this problem, the World Bank report coined the term 'crisis of governance'. Thus, the focus was cast on improving governance by improving managerial and administrative competencies.

The World Bank defines governance as, 'the exercise of political authority, and the use of institutional resources to manage the society's problems and affairs.' The World Bank interprets governance as the institutional capacity of public organizations to provide public and other goods demanded by a country's citizens in an effective, transparent, impartial, and accountable manner, subject to resource constraints. The World Bank has further defined that 'Governance' in general, has three distinct aspects: (a) the form of a political regime; (b) the processes by which authority is exercised in the management of a country's economic and social resources; (c) the capacity of governments to design, formulate; and (d) implement policies, and, in general, to discharge governmental functions.

Further, in literature the use of 'Governance' can be distinguished in seven different uses under different settings:

- as corporate governance, relating to companies;
- as the New Public Management;
- as ‘good governance’;
- as international interdependence generating new modes of governing;
- as a ‘socio-cybernetic system’, focusing on mechanism of coordination;
- as a way of governing through networks.

It is the last concept of governance together with new public management concerned with public/development policies of nations and cities that is of concern here.

The main elements of governance approach in such context essentially are:

- Its focus on the *complexity* of government i.e., multiple agencies, institutions and systems linked complex patterns of interaction and marked by increasing problems of coordination;
- the focus on *alternatives to hierarchy*
 - identifying systems of *rules*
 - identifying alternative organisational forms, notably *networks*;
- To be seen as a *change*, both in practice as well as theory.

The governance approach directs attention to these diverse bodies and the ways in which they relate to one another and produce government. It is concerned with organizational forms and the relationships between them – with networks and networking – but also with the underlying structure of shared meaning and values through which these relationships are sustained. It seeks to build an understanding of the structures and practices which are there. Based on these discussions, it can be said that governance means the process of decision making, and the process by which the decisions are implemented, or even not implemented. Over a last decade, the concept of governance has undergone change. It has included a few elements like accountability, transparency, and effectiveness into its broad contours. It has led to the emergence of a new aspect of governance, which is termed, good governance.

After reading this section, you will have gained an idea about the ‘governance’. Now you should be able to answer the questions given in *Check Your Progress 1*.

Check Your Progress 1

- Note:** a) Write your answer in about 50 words.
 b) Check your answer with possible answers given at the end of the unit

1) What do understand by Governance? What does the term mean?

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2) What is good governance?

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1.3 FORMAL AND INFORMAL GOVERNANCE SYSTEMS

All nations have both formal and informal governance systems—that is, systems within which citizens and government officials interact. Governance involves both public decision-making and public administration. The formal systems are embodied in constitutions, commercial codes, administrative regulations and laws, civil service procedures, judicial structures, and so on. Their features are readily observable through written documents, physical structures (e.g., ministry buildings, legislatures, courthouses), and public events (e.g., elections, parliamentary hearings, state-of-the-union addresses, city council meetings, legal proceedings). The informal systems, by contrast, are based on implicit and unwritten understandings. They reflect socio-cultural norms and routines, and underlying patterns of interactions among socioeconomic classes and ethnic groups. Their manifestations are less easily noticed and identified. Thus, governance systems have a dual character; formal and informal elements exist side-by-side, and are intimately connected in diverse and not immediately obvious ways. For instance, most of what we understand as corrupt practices in government today result from the clash of uncertified activity with the lawful realm of democratic politics and bureaucratic administration. It is customary and expected in most societies for people to help friends and family members. Yet, the same behavior is improper and, indeed, unlawful when it takes place within a rational-legal civil service organization where appointments are supposed to be made on merit (see McCourt 2000).

This institutional dualism has its roots in the historical evolution of social relations between rulers and the ruled, from tribal chieftaincies, to kingdoms and empires, to feudalism and the emergence of the nation-state. Yet, the changing blend of formal and informal governance elements does not connote a continuum from “traditional” to “modern.” No human society is so “advanced” that it relies exclusively on formal *de jure* institutions to run its common affairs. Informal *de facto* traditions and practices are constantly evolving and being adapted to new circumstances. Those that live on usually do so because they provide some value to people. They are functional in the jargon of social science—or else they would disappear through disuse. One of the challenges of development is figuring out how to separate the *de facto* governance institutions that serve, or at least do not contradict, the majority’s needs and well-being, from similar-looking institutions that block or even reverse improvements in social welfare.

1.4 TYPES OF GOVERNANCE

Global Governance

Global governance or world governance is the political interaction of transnational actors aimed at solving problems that affect more than one state or region when there is no power of enforcing compliance. The modern question of world governance exists in the context of globalization. In response to the acceleration of interdependences on a worldwide scale, both between human societies and between humankind and the biosphere, world governance designates regulations intended for the global scale. The question of world governance did not arise until the early 1990s. Up until then, the term “interdependence” had been used to designate the management of relations among states. The post-Cold War world of the 1990s saw a new paradigm emerge based on a number of issues:

- The growing importance of globalization as a significant theme and the subsequent weakening of nation-states, pointing logically to the prospect of transferring to the global level the regulatory instruments no longer working effectively at the national or regional levels.
- An intensification of environmental concerns for the planet, which received multilateral endorsement at the Rio Earth Summit (1992). The Summit issues, relating to the climate and biodiversity, symbolized a new approach that was soon to be expressed conceptually by the term Global Commons.
- The emergence of conflicts over standards: trade and the environment, trade and social rights, trade and public health. These conflicts continued the traditional debate over the social effects of macroeconomic stabilization policies, and raised the question of arbitration among equally legitimate objectives in a compartmentalized governance system where the major areas of interdependence are each entrusted to a specialized international institution. Although often limited in scope, these conflicts are nevertheless symbolically powerful, as they raise the question of the principles and institutions of arbitration.
- An increased questioning of international standards and institutions by developing countries, which, having entered the global economy, find it hard to accept that industrialized countries hold onto power and give preference to their own interests. The challenge also comes from civil society, which considers that the international governance system has become the real seat of power and which rejects both its principles and procedures. Although these two lines of criticism often have conflicting beliefs and goals, they have been known to join in order to oppose the dominance of developed countries and major institutions, as demonstrated symbolically by the failure of the WTO 1999 Ministerial Conference in Seattle.

Corporate Governance

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stakeholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations. Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone

concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels. In recent years, corporate governance has received increased attention because of high-profile scandals involving abuse of corporate power and, in some cases, alleged criminal activity by corporate officers. An integral part of an effective corporate governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise.

Corporate governance consists of the set of processes, customs, policies, laws and institutions affecting the way people direct, administer or control a corporation. Corporate governance also includes the relationships among the many players involved (the stakeholders) and the corporate goals. The principal players include the shareholders, management, and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large. The first documented use of the word “corporate governance” is by Richard Eells (1960) to denote “the structure and functioning of the corporate polity”. The “corporate government” concept itself is older and was already used in finance textbooks at the beginning of the 20th century (Becht, Bolton, Röell, 2004). These origins support a multiple constituency (stakeholder) definition of corporate governance.

Project Governance

Project governance is the management framework within which project decisions are made. Project governance is a critical element of any project since while the accountabilities and responsibilities associated with an organization’s business as usual activities are laid down in their organizational governance arrangements, seldom does an equivalent framework exist to govern the development of its capital investments (projects). For instance, the organization chart provides a good indication of who in the organization is responsible for any particular operational activity the organization conducts. But unless an organization has specifically developed a project governance policy, no such chart is likely to exist for project development activity. Therefore, the role of project governance is to provide a decision making framework that is logical, robust and repeatable to govern an organization’s capital investments. In this way, an organization will have a structured approach to conducting both its business as usual activities and its business change, or project activities.

Information Technology Governance

Information Technology Governance is a term which has come into use in the last few years to indicate the taking of a more formal, structured approach to the role of Information Technology in large enterprises. The Information Technology Governance movement arises from the perception that the corporate approach to IT has, in the past, been too slapdash and informal. Major decisions with substantial effects on the company’s future well-being have been left in the hands of often fairly junior technical staff. At the same time, and perhaps as a consequence, there has been a litany of horror stories related to major IT projects which failed to live up to expectations, either not fulfilling the functionality originally specified or running massively over budget in cost or time. Repeated studies have shown that many IT projects fail and that a great deal of IT investment is wasted. Statistics quoted in some research papers indicate that somewhere

between 20% and 40% of all money spent on IT projects is squandered. Globally, this amounts to hundreds of billions of Euros per year. The goal of IT Governance is to mitigate this waste and to help companies manage IT investments in such a way that they produce real value for the business.

IT Governance primarily deals with connections between business focus and IT management. The goal of clear governance is to assure the investment in IT generate business value and mitigate the risks that are associated with IT projects.

Participatory Governance

Participatory Governance focuses on deepening democratic engagement through the participation of citizens in the processes of governance with the state. The idea is that citizens should play more direct roles in public decision-making or at least engage more deeply with political issues. Government officials should also be responsive to this kind of engagement. In practice, Participatory Governance can supplement the roles of citizens as voters or as watchdogs through more direct forms of involvement. The United Nations Development Programmes (UNDP) defines governance as “governance is the exercise of economic, political and administrative authority to manage a country’s affairs at all levels”. It comprises mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their legal obligations and mediate their differences”. Participation is taken as the pillar of good governance. Public participation is a political principle recognized as a right. Public participation seeks the involvement of those who are targeted as the beneficiaries. Those are affected by decision needs to participate in the decision making process. This implies that public contribution will influence the decision. Public participation is regarded as the vital part of democratic process. The participatory processes is seen as the facilitator of and inclusiveness shaped by the desire to for the participation of the whole community or society. Public participation is a part of people centered or human centric principles which have emerged in culture over the last thirty years. This brings the issue of people first paradigm shift. In this respect public participation may challenge the concept that big is better and the logic of centralized hierarchy. It advances alternative concepts of more heads are better than one and arguing that public participation can sustain productive and durable change. Article 25 of the international covenant on civil and political rights envisaged “every citizen shall have the rights and the opportunity to part in the conduct of public affairs, directly or through freely chosen representatives...”

In some countries public participation is the central principle of making public policy. Public participation is viewed as a tool intended to inform planning, organizing and funding of activities. Public participation may be used measure attainable objectives, evaluate impact and identify lessons for future practices. The public participation in administrative rulemaking refers to the process by which proposed rules are subject to public comment for specified period of time. Public participation is typically mandatory for rules promulgated by executive agencies of Indian government.

Non-Profit Governance

Non-profit governance focuses primarily on the fiduciary responsibility that a board of trustees (sometimes called directors — the terms are interchangeable)

has with respect to the exercise of authority over the explicit public trust that is understood to exist between the mission of an organization and those whom the organization serves.

Participation and Governance

In recent years loss of public trust in authorities and politicians has become a widespread concern in many democratic societies. Public participation is regarded as one of the potential solutions to the crisis in public trust and governance, particularly in Europe, and other democracies. The idea is that public should be involved more fully in the policy process in that authorities seek public views and participation, instead of treating the public as simply passive recipients of policy decisions. The underlying assumption by political theorists, social commentators, and even politicians is that public participation increase public trust in authorities, improving citizen political efficacy, enhancing democratic ideals and even improving the quality of policy decisions. However, the assumed benefits of public participation are yet to be confirmed.

1.5 GOOD GOVERNANCE

The structural definition of governance is sometimes not adequate, particularly when the objective is to improve governance in new ways, which is touted as 'good governance'. This concept of good governance caught the attention of several nations and states – both developed and developing – and several interpretative applications were made – notable among them are administrative reforms, process re-engineering/ restructuring, decentralization of powers, transparency and accountability mechanisms, and e-governance initiatives. From a neo-liberal perspective (or, new public management school), good governance means: less government (or, less regulation), more market (private provision of services) and better policing (or, reducing scope for corruption). However, good governance has to be directed not to less government, but to better connection – within and between government and other bodies. Therefore, good governance agenda directs attention away from the sub-division of authority and work towards the accomplishment of outcomes.

The widely accepted notion about Good governance has eight major characteristics, which has been depicted in figure 3.1. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. It calls attention to questions of distribution – not only of wealth but also of opportunities for the exercise of political competence – both voice and choice. The UNDP (1997) defined following principles associated with the concept of good governance, which are widely accepted:

- a) Participation
- b) Rule of Law
- c) Transparency
- d) Responsiveness

- e) Consensus orientation
- f) Equity, Efficiency and Effectiveness
- g) Accountability
- h) Strategic Vision



Fig. 3.1: Characteristics of good governance

Participation

Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.

Rule of law

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

Transparency

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

Responsiveness

Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

Consensus oriented

There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community

and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

Equity and inclusiveness

A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.

Effectiveness and efficiency

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

Accountability

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

From the above discussion it should be clear that good governance is an ideal which is difficult to achieve in its totality. Very few countries and societies have come close to achieving good governance in its totality. However, to ensure sustainable human development, actions must be taken to work towards this ideal with the aim of making it a reality.

1.6 CHALLENGES OF GOOD GOVERNANCE

Some of the challenges of good governance are as follows:

- Securing freedom of information and expression
- Removal of arbitrariness in exercise of authority
- Use of I.T. base services to de-mystify procedures and improve the citizen-government interface.
- Reducing cost of governance
- Eradication of corruption to re-establish credibility of government.
- Establishing legitimacy and credibility of institutions.
- Making every department result oriented.

Recounting its wide experience the World Bank Document narrates the challenges of "good governance". For instance despite technical soundness, programmes and projects have often failed to produce desired results. Laws are not enforced

properly and there are often delays in implementation. Privatized production and market led growth do not succeed unless investors face clear rules and institutions. In the absence of proper accounting system budgetary policies cannot be implemented or monitored. Many a time procurement system encourages corruption and distorts public investment priorities. The failure to involve beneficiaries and others affected in the design and implementation of projects has often led to substantial erosion of their sustainability. Against this background of mal-governance, the World Bank has attempted to focus on some of the key dimensions of 'good governance' such as public sector management, accountability, the legal framework for development and information and transparency as stated earlier.

The World Bank has also identified a number of challenges of good governance, which assumed significance for the developed and the developing countries. These factors deal with political and administrative aspects, which are as follows.

- Political accountability including the acceptability of the political system by the people and regular elections to legitimize the exercise of political power.
- There should be freedom of associations and participation by various religious, social, economic and cultural and professional groups in the process of governance.
- An established legal framework based on the rule of law and independence of judiciary to protect human rights, secure social justice and guard against exploitation and abuse of power.
- Bureaucratic accountability ensuring a system to monitor and control the performance of government offices and officials in relation to quality of services, efficiency and misuse of discretionary power. The related determinants include openness and transparency in administration.
- Freedom of information needed for formulation of public policies, decision-making, monitoring and evaluation of good performance.
- A sound administrative system should lead to efficiency and effectiveness. This in turn means the value for money and cost effectiveness.
- Lastly there is a greater need of cooperation among the government and civil society organizations.

1.7 GOVERNANCE AND DEVELOPMENT

The recent understanding and emphasis of governance is more to achieve development, and so there is more and more debate to enhance the empirical understanding and relationship of governance and development. Now governance is more viewed as a tool to achieve development, and is now regarded as two sides of the same coin. There are enough examples to demonstrate how the term development is closely related to the process of governance. Let us understand this that every State in the world initiates a series of development activities in order to bring about a positive change in the economy, society and the lives of its citizens. In the entire process of development, the State has been playing a dominant role. However, it has been observed that the benefits from the

development initiatives have not produced desired effects and again it has failed to bring about a positive change in the lives of the intended people. So, a basic question regarding the role of the State and its efficiency has been raised. The search for alternative mechanism to ensure development benefits to the people has been on the agenda of policy makers. The recent arrangement of public-private-partnership has emerged as the viable alternative in providing service delivery in certain sectors of the economy. Thus, the basic approach to development has undergone rapid changes in recent times.

In establishing the relationship between development and governance, the central point that both the concepts aim at is the benefits to the citizens. Both concepts have no meaning, if they do not serve to the benefits of the citizens. Moreover, both the concepts are not detached from each other, rather they complement each other. Development initiatives bear fruit with the presence of good governance. Again, the good governance ensures participation of people in the decision making related to development programmes. The participation of people in development initiatives is truly the reflection of the empowerment of people. Generally development implies the process of improving the standard of living and well being of the citizens by raising the per capita income. Per capita income is definitely the parameter of development, but at the same time how much benefit has it provided to the common citizens in terms of availing basic elements of life, like health, education etc. Thus development has transformed from a merely economic term to a value loaded term; i.e. human development. So, based on the performance on human development front, all countries are ranked which is called the human development index. The famous Nobel laureate Prof. Amartya Sen has contributed significantly towards changing the meaning of development and making it a broad and inclusive concept. Prof. Amartya Sen argues that one way of seeing development is in terms of expansion of the real freedoms that the citizens enjoy to pursue the objectives they have reason to value, and in this sense the expansion of human capability can be, broadly, seen as the central feature of the process of development (Dreze and Sen, 1996).

The quality of governance relates to a great extent to the practice of domestic politics and to public action. Looking at the functioning of the various democratic countries, it can be said that the role of the public is not confined to influencing or challenging the decisions of the government, rather to play a constructive and definitive role in the socio-economic development of the society and reducing social inequalities. Prof Amartya Sen argues that public action has the potential of making a government really accountable and transparent (Dreze and Sen, 1996). As discussed earlier, accountability and transparency are the two key components of good governance. Thus, governance can be ensured and strengthened by public action or more involvement of people in the process of governance. The role of the government is to build institutions to help facilitate the involvement of people in the entire process of governance. The Government of India's initiative like 73rd and 74th amendments which provided constitutional status to grass root institutions like the *panchayat* and *nagarpalika* has been a landmark achievement to ensure involvement of people in the process of governance. Moreover, another significant step taken by the Government of India to constitutionally ensure 50% seats reserved in *panchayats* for women is yet another positive step to involve women in the process of governance. Since, the people are directly involved with the governance, they have a definitive say in the decision making process. This has also involved the people in the development

process also. Having a say in the decision making process at the grass root level, the people can themselves decide what kind of development they want and not necessarily the development plan that used to be imposed from the higher ups. It has also validated the argument that development and good governance are mutually complimentary. Good governance facilitates development and in turn development ensures the furtherance of good governance. The display of budget allocation and how that amount has been utilized are regularly being publicized by displaying at the public places and placing it in regular *panchayat* meetings. As the common people get a concrete idea about the progress of development initiatives at the local level, it brings in transparency and a sense of increased accountability among the government officials. The awareness among the people has brought a positive impact on the implementation of the development initiatives. This can also be interpreted as public action as identified by Prof Amartya Sen. This process has again gained strength with the enactment of the Right to Information Act which has empowered the common citizen to ask for any information from the officials. The enactment of Right to Information act, constitutional guarantee to the grass root organization have resulted in bringing the governance to the door step of the people. The participation of people has also brought about a qualitative and significant change in the development process and its impacts on the larger section of the society.

After reading this section, you will have gained an idea about good governance. Now you should be able to answer the questions given in *Check Your Progress 2*.

Check Your Progress 2

- Note:** a) Write your answer in about 50 words.
 b) Check your answer with possible answers given at the end of the unit

1) What are challenges of good governance?

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2) How governance and development are related and complementary?

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1.8 LET US SUM UP

In this unit we have discussed the concept of Governance, its meaning and attributes of governance in the first section. Later we explained the good governance and at different challenges coming in the way of achieving good governance. In continuing section we have discussed different reforms available for achieving good governance and how these reforms leads to accountability and transparency in administration. In second part we discussed types of governance, what are its different forms and different sources. In continuation of the section we have discussed in details about the urban governance.

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1.10 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

1) What do understand by Governance? What does the term mean?

Governance is the process that steers affairs of the State. In ancient times, the Greek philosopher, Plato used the term, governance in reference to the

affairs of the state. The term came into the limelight with the publication of the World Bank's report on sub Sahara in 1989. Governance involves both public decision making and public administration. The formal systems are embodied in constitutions, commercial codes, administrative regulations and laws, civil service procedures, judicial structures, and so on.

2) What is Good Governance? Write characteristics of good governance?

The widely accepted notion about Good governance has 8 major characteristics. They are participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making.

Check Your Progress 2

1) What are challenges of good governance?

Some of the challenges of good governance are as follows:

- Securing freedom of information and expression
- Removal of arbitrariness in exercise of authority
- Use of I.T. base services to de-mystify procedures and improve the citizen-government interface.
- Reducing cost of governance
- Eradication of corruption to re-establish credibility of government.
- Establishing legitimacy and credibility of institutions.
- Making every department result oriented.

2) How governance and development are related and complementary?

There are enough examples to demonstrate how the term development is closely related to the process of governance. Let us understand this that every State in the world initiates a series of development activities in order to bring about a positive change in the economy, society and the lives of its citizens. In the entire process of development the State has been playing a dominant role. However, it has been observed that the benefits from the development initiatives have not produced desired effects and again it has failed to bring about a positive change in the lives of the intended people. So, a basic question regarding the role of the State and its efficiency has been raised.