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**Governance and Development in India: A Review
of Studies and Suggestions for Further Research**

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Governance and Development in India: A Review of Studies and Suggestions for Further Research

K. Srinivasan^a and M.S. Selvan^b

Abstract

In this working paper, first, we review the various definitions of the term 'governance' by international organisations and scholars and then, from a thematic perspective, we look at some of the major studies on this topic at the international and the national levels. We compare the different definitions of the term 'governance', dimensions or pillars of governance across various studies and then the indicators used within each dimension for a quantitative assessment of governance. The major international studies reviewed in this working paper are those done by the World Governance Institute (WGI) and the United Nations Development Program (UNDP) and also by select scholars. The sources of data for computation of the indicators used in different studies are also reviewed. This review highlights the critical issues of definition, dimensions, indicators and data sources for assessing and improving governance in the country at the government in the Centre and the states levels. The study points to some of the important areas for further research on governance mainly from the perspective of improving governance in India. It is also found that advancements in technology such as widespread use of Internet connectivity and mobile phones influence governance and development per se and the National E-Governance Program (NeGP) has enormously contributed towards achieving this objective. The study then brings out recommendations for future research on governance in India.

Key words: governance, dimensions, measures, reviews, relevance, needed studies

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I. Introduction

(a) Context of the Study

Governance has become one of the hotly debated topics in India during the past one year. This follows the party that came to power with an overwhelming majority at the Center in May 2014 having governance as one of its major election slogans: 'less government better governance' (or 'minimum government, maximum governance'). The international interest on 'governance' per se arose in the early 1990s when the World Bank and multilateral donor agencies felt that the developmental assistance they extended to many African countries during the previous two decades did not have the desired impact on development of these countries, and their grants and loans literally went down a bottomless pit. Their main finding for this failure of developmental assistance having no desired impact on development in these countries was due to their governments' lack of 'proper' and 'effective' governance. The same criticism can now be levelled against many of the backward states in India that have received huge funding from the Centre under the Plan funds during the past 50 years but have failed to record commensurate improvements in various dimensions of development. For example, even in 2012, the infant mortality rates (deaths of infants below one year of age to 1,000 live births) have varied widely across the states: from high levels of 56 in Madhya Pradesh and 55 in Assam to low levels of 12 in Kerala and 10 in Goa. The levels of female literacy rates in 2011 have varied from 53 per cent in Bihar and 52 in Rajasthan to 89 in Mizoram and 92 in Kerala. With such variations existing across the states and a major factor underlying these differences being the quality of governance at the state level, it is imperative that studies on governance have attracted a good deal of attention. Further, the rapid developments in the field of information technology have offered a unique and unprecedented opportunity for India to improve its governance very rapidly closer to levels comparable with developed countries.

In this article, we review the major studies on governance undertaken by the international agencies and national scholars from the perspective of their relevance for shaping the course of future studies on governance in India.

(b) Definitional Differences and Towards Acceptable Definition for India

The term 'governance' is derived from the Greek word '*kubernáo*', meaning *to steer or guide*. Kautilya or Chanakya who was a minister to the Gupta king, in his *Arthashastra*, a treatise in Sanskrit written around 300 BC, addresses in detail the problems of governance by a monarch or a king

in order to have peace within the kingdom and on the borders and at the same time improve the economic welfare of its people. Kautilya recommends mainly four-fold path of dealing with internal strives and external threats: *sāman*, appeasement, non-aggression pact; *dāna*, gift, bribery; *bheda*, divide, split, separating opposition; and *danḍa*, strength, punishment. At the same time he talks of *dharma* (righteousness and justice) and well-being of all his subjects as the main goal of the king. Viewed from the point of view of a monarchy, *Arthashastra* can be considered as the first guideline for good governance although it may not be fully relevant for improving governance in a democratic set-up.

In modern times and in a democracy, the term ‘governance’ connotes the process by which an organisation, especially a government, formulates its policies, enacts appropriate laws, implements the related programs, evaluates and modifies them when necessary, changes the laws and programmes if needed and becomes accountable to the stakeholders/citizens and gets their mandate to govern. At a broader level, governance refers to ‘all processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power or language’ (Bevir 2012). It relates to ‘the processes of interaction and decision-making among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions’ (Hufty 2011). Thus, the term governance can be used for all organisations, formal or informal, and not just restricted to the government.

Though governance is applicable to any institution or body, corporate, non-governmental organisations, among others, the worldwide interest began to focus on the governance by the government or what was called the ‘statist’ view. The term ‘governance’ is distinguished from *government*, which is a formal body invested with the authority to make decisions in a given political system. Governance is the process while government is the structure. In the case of a government, the governance process includes the functions of all the actors involved in influencing the decision-making process, such as all citizens, political parties, media, the electoral process, elected leaders, form of government and is mainly concerned with the processes of the elected government and the bureaucracy that function together to implement the laws and regulations. In India, it refers to the processes of the all the three tiers of government constitutionally set up: the Central government, the various state governments and the local bodies, viz., the panchayats in the rural areas and the *nagar palikas* in the urban areas.

In 1990s, the topic of governance gained international currency when the World Bank commissioned the World Governance Institute (WGI) to

develop indicators of governance and to apply them uniformly across all the countries of the world and rank them. The World Bank Group working on governance indicators defined governance as 'consisting of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them'(World Bank 1997). Good governance is considered as a key and essential ingredient of social and economic development, especially in developing countries.

In India, a number of attempts have been made in the past two decades to study governance and the government and make them efficient. Many articles and a few books have come out on the topic (Godbole 2014; Laxmikanth 2011). Prime Minister Narendra Modi has resorted to the theme 'minimum government and maximum governance', emphasising the need to improve the efficiency and effectiveness of the government departments. Downsizing of the government and making it more effective and efficient seems to be the sinequanon of this approach. He also called for a complete synergy between the Digital India Mission and the urban renewal mission. 'This should include technological changes such as mobile governance, e-governance applied to solid waste management, waste water management etc. There is a need for extensive brainstorming on these issues'(Modi 2014). Attempts to bring about e-governance and paperless government have been made over the past few years. However, only a few systematic studies are available to quantitatively evaluate various dimensions of governance and to monitor them over time to examine the progress in governance.

Before taking up review of studies on governance in India, we will briefly review the various definitions of governance given by the researchers during the past two decades by which standards India and other countries have been assessed. As it will be seen, in the research on governance, there has been no uniform definition of the term. The definitions used in the literature by the academic researchers, international agencies, regional organisations and the Planning Commission in India (PCI) are noted below in a chronological order.

'Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development' [International Institute of Administrative Sciences (IIAS) (2009)].

'Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to

raise their capability levels, on one hand, and provide opportunities to realize their potential and enlarge the set of available choices, on the other’ (Tenth Five Year Plan, India, Planning Commission 2002–2007).

‘Human Governance is governance dedicated to securing human development. It must enable the State, civil society and the private sector to help build capacities, which will meet the basic needs of all people, particularly women, children and the poor. It requires effective participation of people in state, civil society and private sector activities that are conducive to human development’ (Malik 2002).

‘Based on the recent analytical research, we define Governance as the process and institutions by which authority in a country is exercised. Specifically, governance is: (i) the process by which governments are selected, held accountable, monitored, and replaced; (ii) the capacity of governments to manage resources efficiently, and to formulate, implement, and enforce sound policies and regulations; and (iii) the respect for the institutions that govern economic and social interactions among them’ (Kaufmann *et.al.* 2002).

‘Governance refers to the handling of rules or norms that guide each stage or arena in the political process. As such, governance is connected to rules-in-use, i.e. formal or informal rules that apply to how issues emerge in the public and are handled by the political system. More specifically, governance is defined as the formation and stewardship of the rules that regulate the public realm—the space where the state as well as economic and social actors interact to make decisions’ (Hyden *et.al.* 2004).

‘Governance is the manner in which power is exercised in the management of a country’s social and economic resources for development. Governance means the way those with power use that power’ (Asian Development Bank (ADB) 2005).

‘Governance concerns the state’s ability to serve the citizens. It refers to rules, processes, resources and behaviors by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in this context’ (European Commission 2008).

‘...the view in the present report is of governance as the process by which the institutions charged with achieving development do their jobs. This includes nongovernmental organizations, civil society organizations, and private firms as well as the public sector or state’ (Centre for Governance Studies, BRAC University and BRAC Research and Evaluation Division 2006).

‘Governance is a system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way society organizes itself to make and implement decisions – achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set the limits and provide incentives for individuals, organizations and firms’ (UNDP 2007).

Besley and Persson (2011) define governance in terms of its contribution to economic prosperity on the basis of three pillars: fiscal capacity, judicial capacity and peace –their focus being the avoidance of internal conflict in a society. Using this core concept, they have developed a theoretical model of what drives the development of these three pillars, and their relationship with economic development, represented by per capita income in a country. The theory itself is developed from empirical observation, and the predictions of the theory are then tested against empirical data.

Mundle *et.al.* (2012), in a recent study, defined governance, like the study by Besley and Personn, also on the basis of three pillars, viz. the executive, the judiciary and the legislature. ‘The executive pillar was considered in four dimensions: delivery of infrastructure services; delivery of social services; fiscal performance; and maintenance of law and order; the judicial pillar included the dimension of delivery of legal services and the legislature pillar, the dimension of quality of legislature. Thus there were six dimensions on which governance was assessed’.

From the above definitions of governance given by different scholars and institutions, it can be seen that while there is no uniform and globally acceptable definition of the term. A common theme running across all definitions, though couched in different technical terms, can be stated as follows:

Governance can be broadly defined to encompass the following:

1. It is politically circumscribed.
2. It is multi-dimensional and the indicators selected in each dimension may change over time.
3. It is a process by which the governments realise the goals set for themselves, effectively and efficiently within the time specified.
4. It takes into account the common good and development of the society as a whole without generating gross inequities and without violence and corruption.

The term ‘effectiveness’, mentioned in point 3 above, denotes whether the set goals are realised or not, and the term efficiency connotes the cost at which they are realised and within the time limits set for the goals.

II. Measures and Indicators of Governance

There has been no uniformity in the literature on the various dimensions of governance that have to be studied and used in improving governance. These dimensions are sometimes referred to in the corporate sector as the ‘pillars of governance’. Each of the dimensions or pillars can have a number of indicators to measure its level and progress quantitatively. Governance is thus a multi-dimensional concept and the functional areas in each dimension may vary with time.

In this section, we have reviewed the approaches taken by some of the efforts to quantify governance.

(a) La Porta Study

A seminal study on governance by La Porta *et.al.* (1999) on the quality of governance and its determinants has used a large, cross-country data set pertaining to a number of input and outcome variables and their possible determinants. The authors studied governance from the perspective of promoting development. The quality of government was assessed using proxies for government interventions for development: size of the government, public sector efficiency, quality of provision of public goods, perception of corruption and political freedom. They also used a number of outcome measures such as infant mortality, school attendance, illiteracy and infrastructure quality. Using these large numbers of measures of governance and outcome variables, they converted them into indicators using principal component analysis.

(b) World Governance Indicators

Hundreds of internal documents by international institutions and articles were published in research journals during the late 1980s and early 1990s and a committee was set up by the World Bank to formulate dimensions and indicators of governance and assess all the countries annually on the basis of these indicators. The World Governance Indicators (WGI) were formulated by this committee and tested out in some countries. Since 1996, the data on these indicators have been published for over 200 countries regularly and has been one of the criteria on which international assistance was provided (Kaufmann *et.al.* 2007 2010). The WGI reporting on three broad dimensions of governance for 215 countries annually during 1996–2013 included:

(1) The process by which governments are selected, held accountable, monitored and replaced;

(2) The capacity of governments to manage resources efficiently, and to formulate, implement and enforce sound policies and regulations; and

(3) The respect for the institutions that govern economic and social interactions among them.

Each of these three dimensions was measured in two ‘functional areas’ (FA) as follows:

1. Voice and Accountability (VA) for Dimension 1
2. Political Stability and Absence of Violence (PV) for Dimension 1
3. Government Effectiveness (GE) for Dimension 2
4. Regulatory Quality (RQ) for Dimension 2
5. Rule of Law (RL) for Dimension 3
6. Control of Corruption (CC) Dimension 3

The data related to each of these ‘functional areas’ was compiled over a number of related variables for which information was available or was collected from one or more of the following sources.

1. Data compiled by various international bodies on government functioning such as the World Bank, Asian Development Bank, African Development Bank and the International Monetary Fund (IMF). Some of these information has been found to be confidential, shared only with the WGI group.

2. Opinions or perceptions on related variables by selected corporate bodies.

3. Perceptions by non-governmental organisations (NGOs).

4. Data compiled from selected sample surveys.

The variables were first converted into appropriate indicators, then normalised and standardised, and then merged with appropriate weights to have an index for each functional area. The WGI gives governance ratings for 212 countries and is based on some 310 variables, derived from 33 different agencies, public, private and NGOs, totalling some 10,000 plus data points. The 310 variables are aggregated for six governance dimensions: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption. For each of these functional areas, the individual indicators are aggregated into a combined index in terms of estimated governance performance score ranging between -2.5 and $+2.5$, and percentile rankings of countries are given on the basis of these scores. This model attaches weights to individual variables,

which reflect the precision of the respective data sources. Thus it is a four-step process: (1) identify the variables relevant to each functional area; (2) collect data on these variables from secondary or primary sources; (3) convert the variables into indicators; and (4) combine them into a composite index. The WGI has gone one step further and computed and ranked the countries on the basis of percentile scores. This has contributed to criticism of the countries on the basis of the governance scores. A brief listing of the 31 sources from which different types of data required for computation of each indicator is given in Appendix 1.

(c) UNDP Studies (2007–2009)

The United Nations Development Program (UNDP) came up with its own list of nine characteristics of good governance: (1) participation; (2) rule of law; (3) transparency; (4) responsiveness; (5) consensus orientation; (6) equity; (7) effectiveness and efficiency; (8) accountability and (9) strategic vision.

(d) Besley and Persson Study

Besley and Persson (2011) compiled their study into a book, with an assumption that prosperity of a country depended on three pillars of good governance: fiscal capacity, judicial capacity and peace. They used a select set of key indicators as proxies for each of these three pillars of good governance and combined them into what they called ‘pillars of prosperity’ (POP) index. Then they computed the individual index values for each of these three pillars and the POP value for a set of 150 countries. The data for the variables for each pillar were compiled from available secondary data sources and no primary data collection was attempted. For instance, the fiscal capacity was measured for each country using the IMF share of income tax to total government revenue. It was assumed that a government that collects more tax as a percentage of the total government revenue is considered to have a better fiscal capacity. These representative variables are then scaled to a (0–1) range. A similar method was used for the other two pillars.

(e) Studies in India

In this section, we review in brief five major studies on measuring governance and its impact on development at the state level in India, undertaken by Indian and foreign scholars within the past decade.

1. Sudip Ranjan Basu (2002) attempted to correlate governance indicators and development at state level using the guidelines from WGI and IMF given in its Interim Committee meeting in 1996. The author tried to measure governance using the following four dimensions:

- Peace and stability
- People's sensibility
- Social equality
- Management of government

2. Julius Court (2002) analysed governance in India with data collected for World Governance Survey (WGS) project. The study measured governance of the nation by assessing sub-national governance. In India, four states (Andhra Pradesh, Bihar, Kerala and New Delhi) were taken into consideration in the study and as per WGS guidelines. The national capital was included in the list of states studied. The perception of 177 experts on the following six dimensions were taken at two time points—the condition five years ago and the present scenario. The six dimensions are as follows:

- Civil society, or the way citizens raise and become aware of political issues
- Political society, or the way societal interests are aggregated in the political process
- Government, or the stewardship by the executive of the system as a whole
- Bureaucracy, or how policies are implemented
- Economic society, or the relationship between the state and the market
- Judiciary or how disputes are settled.

The above dimensions were used to reflect good governance related to 'Participations', 'Fairness', 'Transparency', 'Efficiency', 'Decency' and 'Accountability'. Opinions from the expert or well-informed persons (WIPs) who were working in government, business, NGOs, Parliament, legal professions, international organisations, the civil service, academia, religious organisations and the media were obtained using 30 questions, which are listed in Appendix II. The perception was measured on a 5-point scale for each question. This questionnaire is an illustration of the type of perception questions used in assessing governance.

3. Arvind Virmani *et.al.* (2006) computed an index of quality of governance at the state level in terms of provision of public goods by the state governments in India and also in Pakistan and Sri Lanka. The public goods were broadly categorised into three groups: public goods, quasi-public goods, and government-monopolised public goods. Under 'public goods',

two functional areas were considered: law and order, and roads; under “quasi-public goods, four functional areas were considered: education, irrigation, postal services and public health. The ‘government-monopolised goods’ was considered as one functional area. The variables considered under each functional area are given in Table 1. The earlier insights through the works of WGI (1999) led the authors to test the hypothesis of relation between governance and development indicators.

Table 1: Indicators of Governance at the State Level

Public Goods		Quasi-Public Goods				Government Monopolised Goods
Law and Order	Roads	Education	Irrigation	Post	Public Health	
1. Police personnel per thousand persons	1. Surfaced road length in km per thousand sq km of Area	1. No. of schools per thousand persons	1. Net irrigated area by government canals per net owned area	1. No. of post offices per thousand persons	1. Life expectancy at birth (years)	1. Per capita electricity consumption
2. Crime reported per thousand persons	2. Unsurfaced road length in km per thousand sq km of area	2. Teacher-pupil ratio		2. Postal articles handled	2. Infant mortality rate (per thousand live births)	2. No. of hospitals and dispensaries per thousand persons
3. Ratio of property recovered to stolen cases		3. No. of enrolments per thousand persons		3. No of inland money orders issued		3. Railway route length per thousand sq. km of area
		4. Literacy rates (%)				4. Telephone lines per thousand persons

Source : Virmani. A. *et al.* ‘Governance in provision of Public goods in South Asia’, Sanej, September 2006, pp. 12.

4. The Department of Administrative Reforms, Public Grievances and Pensions (DARPP), Ministry of Personnel and Training, Administrative Reforms, Public Grievances and Pensions (2009) has developed a framework for assessment of the governance at the state level. It chose the relevant variables in the direction of elimination of poverty. A total of 123 indicators were included in the framework. These included 22 indicators on political dimension, 24 on the legal-judicial dimension, 42 on the administrative dimension, 18 on the economic dimension and 17 on the social-environmental dimension. Out of the 123 indicators, for 48 indicators data were to be collected from secondary sources and for 75 indicators data were to be

collected through primary sources (DARPP, 2009). This framework was developed not only to evaluate the level of governance in the state but also to assist the state government to monitor the programmes themselves in the direction of alleviation of poverty. Unfortunately, the data collected and reports made from this large-scale study are not available in the public domain.

5. The study by Sudipto Mundle et. al. (2012) constructed an index of governance at the national and state levels for the 17 large states and is the most recent and significant study on governance in India at the state level. While constructing the indicators, they used three pillars to suit the modern democratic conditions of the country rather than monarchy for which danda and dharma pillars are applicable. These were the executive, the judiciary and the legislature. The executive pillar is considered in four dimensions: delivery of infrastructure services, delivery of social services, fiscal performance and maintenance of law and order. The ‘judicial pillar’ was measured by the speed of delivery of legal services and the legislature pillar by the quality of the legislature. Thus there were six dimensions and the indicators included in these dimensions are given in Table 2. As the authors say, ‘the choice of indicators is opportunistic, depending on what reasonably reliable data are available for the seventeen major States of India used for this exercise. Outcome variables are preferred, but where these are not available we have used output or even input variables’. A total of 18 indicators covering these six dimensions are listed in Table 2.

Table 2: Indicators of Quality of Governance

Governance Performance Index						
Dimensions	Infrastructure Service Delivery	Social Service Delivery	Fiscal Performance	Law and Order	Judicial Service Delivery	Quality of Legislature
Indicators	Water supply and sanitation ◆ Households with safe drinking water (%) ◆ Households with improved sanitation (%)	Health ◆ Infant mortality rate ◆ Maternal mortality rate ◆ Life expectancy at birth	◆ Development expenditure as percentage of total expenditure	◆ Rate of violent crimes	◆ Trials completed in 1–3 years as % of total trials in all courts	◆ Proportion of MLA's with serious criminal charges pending (%)
	◆ Per capita power consumption	Education ◆ Literacy rate ◆ Gross enrolment rate ◆ Average years of schooling	◆ Own revenue GSDP ratio	◆ Complaints registered against police per person		◆ Proportion of women MLAs(%)
	◆ Road length per square kilometres			◆ Police strength per lakh population		

Source : Mundle et.al. (2012).

The variables selected for the executive pillar under the delivery of infrastructure services are: the availability of potable water, sanitation, roads and power. Under the dimension of social services, the indicators selected are three outcome variables on health and three on education. In the dimension of fiscal performance, two variables were selected: a state's development spending and own revenue effort. In the dimension of law and order, three variables were used incidence of violent crimes, police cover and police behaviour. Police behaviour was measured by a variable called 'complaints registered against police per person'.

The review of different approaches to measuring governance indicators points to the changes that may occur over time in the manner in which governance is implemented, monitored and evaluated. There may be institutional innovations such as decentralisation and empowerment of weaker sections of the society and development of physical infrastructure that makes communication of governance more efficient. Both these factors have been enormously affected in the recent years by technological changes in information and communication technology (ICT). Given the multiple ways in which ICT has an impact on governance, we provide an illustrative analysis of the impact of technological changes in ICT on governance in Section IV.

III. Sources of Data

1. The data sources for measuring governance in the six dimensions, specified by the WGI, and discussed earlier, can be categorised into two types: hard data and soft data. The hard data are usually drawn from various secondary sources such as censuses, reports from various ministries, the monitoring systems of various programmes by different departments and also from sample surveys conducted such as the National Sample Survey, National Family Health Surveys in India and District Level Health Surveys (DLHS). Ministries of Finance and Central banks regularly publish factual data on the financial sector in the country. These are objective and hard data. The second type of data such as on 'control of corruption', delays in decision making and harassment of the public by the government departments are based on perceptions by the stakeholders based information specially to be collected and analysed. Perceptions by the people at large and various stakeholders are as important in assessing the quality of governance as hard data. For example, the data collected by the Transparency International on corruption in various countries come in this category and these are considered as soft data and used by the media and the people at large to criticise the various government programmes. Data collected from various sources are first used to compute different sets of indicators such as the crime rate and infant mortality rate and then the values of the various indicators in each

dimension are combined into an index for that dimension. Later, all the index values of different dimensions are combined into a single index on quality of governance. We will briefly discuss the different sources of data in assessing quality of governance in India used by different scholars. The sources from which WGI has compiled data for all their indicators –indirect sources of various data collecting and compiling international agencies such as Freedom House, Transparency International and World Economic Forum Global Competitiveness Survey. Validity of such data needs to be assessed.

2. Sudip Ranjan Basu (2002), in order to compute Quality of Governance Index (QGOI), used only secondary data collected since 1970 for 16 states. For example, for the ‘dimension of peace and stability,’ the secondary data compiled by various government departments to estimate rates of crimes, riots, industrial disputes and strikes from existing government-reported crime records were used. For other dimensions, data were taken from Census of India, Statistical Abstract of India and various studies published on development to obtain Gini index, SDP Per Capita Net State Domestic Product (PCNSDP), life expectancy at birth, IMR and so on.

3. Julius Court (2002) collected data from experts or well-informed persons (WIPs) who were working in government, business, NGOs, Parliament, legal professions, international organisations, the civil service, academia, religious organisations and the media. The perception data was measured with a 5-point scale for all 30 questions used on this topic. They are purely perception-based data.

4. Arvind Virmani et al. (2006), in their study on governance, used available data from 1980 to 2003–04 for the three South Asian countries, India, Sri Lanka and Pakistan. The expenditure per capita on public goods (five variables) such as surfaced road length, quasi-public goods (10 variables) such as teacher-to-pupil ratio, infant mortality rate and life expectancy and government-monopolised goods (four variables) such as per capita consumption of electricity were used for the years 1980–81, 1992–93 and 2003–04. For India, the authors collected data for 15 large states from the *Statistical Abstracts of India*, *Handbook of Statistics on State Government Finances*, Central and State Government Budget Documents of India, CMIE Infrastructure and Agriculture Reports, Railway Budget Documents, World Development Indicators by World Bank, Human Development Report published by UNDP and National Human Development Report (India). For Sri Lanka and Pakistan, the data were compiled from the Statistical Abstracts of these countries.

5. Sudipto Mundle et al. (2012), in their study on quality of governance indicators, used data directly compiled from official records such as

censuses and other official records and also the transformed value for many variables, the transformed values being the adjusted values for the state per capita domestic product in order to assess its independent effect. This was done because it was felt by the authors that the states' governance and income per capita are likely to be logically positively correlated since as the income increases the quality of governance would improve and vice-versa. The adjustments enable comparisons of quality of governance with and without the impact of development. It is generally felt that as per-capita income increases quality of governance will also improve. Poverty and bad governance seem to go together. The quality of governance index for 17 major states were computed by three different methods of aggregation using the following.

- (i) Principal component analysis (PCA)
- (ii) Average of the sum of ranks
- (iii) Average of the average of ranks

This enables one to test the robustness of quality of governance ranks of the different states. The performance on each dimension of governance has been measured using indicators that are all based exclusively on factual data and not perceptions. These multiple indicators of the very complex concept of good governance have then been aggregated into a comprehensive quality of governance score with appropriate weights.

IV. Technology and Governance

The rapid and unprecedented changes in communication technology, during the past three decades, have revolutionised humankind in many ways. The continuing widespread use of mobile phones, personal computers and penetration of Internet services have brought scientific knowledge and market information on goods and services easily accessible to common man and made many transactions, found very difficult and inaccessible to many in earlier years, transparent and easy. Booking of tickets for travel by bus, rail and air through on-line facilities have contributed to wider use of these facilities in India and to some extent buying and selling of goods on-line have cut time and costs of trading and hence more widely used. The information on prices of various agricultural products in different places is immediately known to farmers and traders throughout the country and there is automatic stabilisation of prices of many products and prevention of hoarding of these products. Efficiency in terms of balancing between demand and supply through price regulation of various goods and services have been facilitated by technology and the widespread use of cell phones. While some years back, there was corruption in the sale of train, bus and air tickets, these have considerably

been reduced in India because of the penetration of technology and mobile phones. Penetration and improvements in mobile phone technology has also significantly contributed towards improving governance. Many of the issues of governance have been automatically resolved by the technological changes. Thus technology has become an important factor influencing governance, per capita income and human development. The Government of India has undertaken a massive programme of computerising and linking across different states and local bodies all the essential services provided by the government and public sector undertakings.

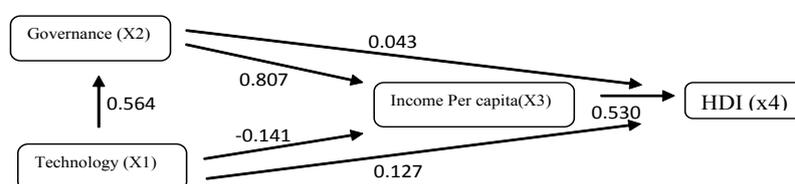
The national e-governance plan (NeGP) launched by the Government of India in 2006 aims to make all government services 'accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency & reliability of such services at affordable costs to realize the basic needs of the common man'. Efficiency, transparency and reliability are all important dimensions of governance as discussed above. One of the important objectives of the government under this vision is the need to cooperate, collaborate and integrate information across different departments in the Centre, states and the local government. This is a massive exercise going on under National Informatics Center and the Department of Information Technology directly under the control of the Prime Minister's Office (PMO) but the progress has been quite slow and many time lines have not been met in digitizing government data. This is because that the government systems have been, for decades, been characterised by islands of different sub-systems using heterogeneous platforms and technologies and spread across diverse geographical locations, in varying states of automation. The systems vary from maintaining old-style hard copy registers in many government departments to direct uploading of data collected in the peripheral centres online to a central system. The National e-Governance Service Delivery Gateway (NSDG), a Mission Mode Project (MMP) under the NeGP, is aimed to simplify 'this task by acting as a standards-based messaging switch and providing seamless interoperability and exchange of data across the departments and states. Under the National e-Governance Plan (NeGP), various e-Governance applications are being implemented in order to provide speedy delivery of government services to the citizens at affordable costs'.

Under the NeGP, 31 Mission Mode Projects (MMP) have been launched to cover various sectors as income tax, central excise, transport, banking, insurance, treasuries, e-office, citizen unique identification project (UIP) and others. To achieve the above there is a need for different departments in the Centre, states and local government to cooperate, collaborate and integrate information across the various levels, domains and geographies.

‘The National e-Governance Service Delivery Gateway (NSDG), a standards based (IIP/IIS/IGIS) messaging switch, will enable this by providing seamless interoperability and exchange of data across heterogeneous applications of geographically dispersed departments’.

Among the major legislations of the Indian parliament that has significantly influenced the voice of the people and accountability of the government (dimension 1 of WGI) is the Right to Information Act (RTI) passed in 2005. The basic objective of this Act is to ‘empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. It goes without saying that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable to the governed’. The Act is a big step towards making the citizens informed about the activities of the Government (RTI Act 2005). The use of technology in the implementation of the Act by including it as one of MMPs under NegP has profoundly enhanced the effectiveness and efficiency of its implementation of various government programmes. Under MMP mode, an RTI Act gateway has been set up in 2005 through which any citizen can raise a pending issue with the government and demand response in terms of action taken within a time limit. It mandates timely response to citizen requests for government information. RTI commissioners have been appointed at the state and Central levels and they have a statutory responsibility for providing necessary information to the citizens who appeal for the same under the RTI Act. Internationally this Act has been acclaimed as one of the great contributions of India to democratic governance. It is an initiative taken by Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions to provide a RTI Portal Gateway to the citizens for quick search of information on the details of first Appellate Authorities, persons of Indian origin (PIOs) and so on amongst others, besides access to RTI-related information disclosures published on the Web by various public authorities under the Government of India as well as the state governments. We tested the impact of technology on governance, income and human development index, circa 2011 using data available from the census and the Planning Commission using a path model given below.

Chart 1: Path Model



In the above path model, ‘technology’ was measured by the percent of household using mobile phone as given in the latest 2011 census; the ‘governance index’ was taken from the study by Sudipto Mundle et al. reviewed above (the index based on principal component analysis); the ‘state per capita domestic product’ was taken from the published records and HDI as reported by the Planning Commission for 2011. The data on the four factors at the state level are given in the first four data columns of Table 6. All the above four factors in the model above do change with time and the above analysis based on data circa 2011 has to be interpreted with caution. Technology has a direct impact on HDI and also indirect impacts on HDI through governance, through SDP and through governance and SDP. The estimated values of these effects using the path model are given below. These are based on the standardised regression coefficients (path coefficients) calculated from the bi-variate correlations given in Table 3.

Table 3: *Correlations of Governance, Mobilephones, HDI and GSDP PerCapita*

	Principal Component based Governance Score Circa 2011	HDI 2011–12	Percentage of Household using Mobile 2011	GSDP percapita 2011
Principal Component based Governance Score c.2011	1	.530*	.564*	.728**
HDI	.530*	1	.331	.641**
Percentage of Household using mobile phones	.564*	.331	1	.314
GSDP per capita	.728**	.641**	.314	1

(Note: * = statistically significant at 5 per cent level; **= statistically significant at 1 per cent level)

From the above table we can see that the percentage of households having mobile phones is significantly and positively correlated with the index of governance. The index of governance is also positively and significantly correlated with the state’s per capita domestic product and the Human Development Index. Using the above mentioned path model of causation, we can estimate the path coefficients using the following regression equations. Using small letters to denote normalised variables (deducting the mean from

the variable and dividing by the standard deviation) we have the following equations from the above path model.

$$x^4 = b^{14} \times x^1 + b^{24} \times x^2 + b^{34} \times x^3 \text{-----(1)}$$

$$x^3 = b^{13} \times x^1 + b^{23} \times x^2 \text{-----(2)}$$

$$x^2 = b^{12} \times x^1 \text{-----(3)}$$

Using the above equations we can estimate the direct and indirect effects of technology as represented by percentage of households having mobile phones on human development as represented by HDI as follows:

Direct effect of technology on HDI (b^{14}) = 0.127

Indirect effects:

1. Through governance ($b^{12} \times b^{24}$) => $0.564 \times 0.043 = 0.024$

2. Through income ($b^{13} \times b^{34}$) => $-0.141 \times 0.570 = -0.080$

3. Through governance and income
($b^{12} \times b^{23} \times b^{34}$) => $0.564 \times 0.807 \times 0.570 = 0.259$

Total Indirect Effects = 0.203

Total Effects, direct plus indirect => $0.127 + 0.203 = 0.330$

Thus we see that the indirect effects of technology, such as even having a simple thing as a mobile phone, on development is roughly twice the direct effects and almost two-thirds of the total effects. This fact needs to be explored further by taking other proxies for technology and indices of governance and development. Technology is going to make sweeping changes in governance, income and development of the population as a whole irrespective of the political system and fractionalisation of the society on the basis of language and religion. This is an important point that needs to be addressed by future studies on governance.

V. Governance Values for India and the States

1. World Bank Study (WGI)

Though this study can be considered as one of the best scientific studies carried out on governance across the world, taking countries as the unit of analysis, it has to be pointed out that a large number of perception variables were combined with factual data collected from a large number of secondary sources, and the mixture became a dubious indicator of governance. Though the precision of the indicators was measured by appropriate statistical methods, the validity could not be ensured. India fares very poorly in this study, ranking 135 among 210 countries in the dimension of control of

corruption even in 2013. The relationship between the changes in the six 'functional areas' of governance and development across the countries has been quantified by Kaufman (1999) 'that one standard deviation increase in any of the above six indicators contributes to 2.5% rise in per capita income; 4% decline in infant mortality rate ;and 15 to 25% increase in literacy'. However, this does not appear to be true when the indicators are studied over time in relation to India. The values on these indicators (actual values for the selected years and in addition the percentile values for 2013) for selected years between 2000 and 2013 for are given for India in Table 4.

Table 4: Governance Scores in different dimensions in India (1998 to 2013): World Governance Index (WGI)

Functional Area	2000 ^a	2005 ^a	2008 ^a	2010 ^a	2011 ^a	2012 ^a	2013 ^a	2013 ^b	Corr-coeff with HDI
Voice and Accountability	0.26	0.39	0.44	0.43	0.42	0.38	0.41	61.14	0.794*
Political Stability and Absence of Violence	-0.99	-0.99	-1.10	-1.23	-1.30	-1.25	-1.19	12.32	-0.884**
Government Effectiveness	-0.14	-0.08	-0.03	0.02	-0.01	-0.18	-0.19	47.37	0.072
Regulatory Quality	-0.16	-0.24	-0.36	-0.37	-0.33	-0.47	-0.47	33.97	-0.913**
Rule of Law	0.28	0.16	0.09	-0.04	-0.11	-0.10	-0.10	52.61	-0.977**
Control of Corruption	-0.37	-0.40	-0.36	-0.51	-0.57	-0.57	-0.56	35.89	-0.820*
HDI	0.483	0.527	0.554	0.570	0.581	0.583	0.586	NA	1

^a Estimate of governance (ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance) ^bPercentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank).

* - Correlation is significant at the 0.05 level (2-tailed).

** - Correlation is significant at the 0.01 level (2-tailed).

Source : The World Governance Indicators 2013 and HDI from UNDP Human Development Reports.

Table 4 is very revealing. It is found that while the HDI values have been steadily increasing over the years from 2000 to 2013, this is not the case with the indicators of many dimensions of the WGI governance. For example, the index of 'rule of law' has been steadily declining over the years from 0.28 in 2000 to -0.10 in 2013 and the correlation of the time series of HDI and RL is -0.977 and significant. Similarly there are negative significant correlations with the indicators of political stability and violence

(PA): ‘regulatory quality’ (RQ) and ‘control of corruption’ (CC) with the HDI values over time. The correlation coefficients of such time series data suffer from auto correlation bias but even after adjusting for such a bias the negative effects persist. Thus within India, there does not appear to be a strong positive relationship with the governance indexes and human development as defined by the World Governance Institute of the World Bank. If we assume prima facie that good governance is important for accelerating human development, then we have to look for appropriate more relevant indicators of development within the Indian context.

The above-mentioned studies on and approaches to governance by the World Bank and the UNDP have been criticised within the Bank, the United Nations and outside by many scholars. In a recent publication (2012) ‘Is good governance good for development?’ an edited volume brought out by the United Nations (Sundaram and Chowdhury, United Nations Series on Development, 2012), the authors and editors have brought out the following major critiques of this approach to governance.

a. Empirical evidence of many African countries and of China and Vietnam in Asia show that good governance is not an absolute guarantor of development or without many of the governance indicators at high level, development is not possible. China and Vietnam have grown economically at very high levels, highest historically, during the past three decades, in spite of scoring low on most of the development indicators. Many times, the donor conditionality on reaching higher levels on these indicators have become a recipe for failure in African countries.

b. Good governance by the World Bank and endorsed by Western capitalism has come to mean economic liberalism, in which the state has to play a diminishing role over time and market forces take over the development agenda from the state. This approach diminished the role of the state in crucial areas of public health, education and provision of basic infrastructure facilities for the poorer sections of the society and consequently the development was affected seriously.

c. The development strategies contained in the above indicators many time works against each other in the field. For example, democratic decentralisation, beyond a limit, has been found to lead to decentralization of corruption to all levels of the society. ‘Voice and accountability’ may work against the ‘rule of law’ and ‘control of corruption’.

d. The governance indicators advocated by the World Bank are ‘ahistorical’ and not country specific and do not take into account the political, social and cultural history of the country. There can be no common set of indicators of governance in many dimensions.

e. The unprecedented economic and social growth of many East Asian countries did not follow any predetermined governance agenda, least of all that advocated by the World Bank and empiricism in governance and commitment to the welfare of its people provided the needed pathways of governance.

f. There was a general feeling among the critiques that the political system of liberal democracy and crass capitalism were the underlying model of polity that has given rise to these governance indicators.

2. Besley and Persson (2011) based on their study, mentioned earlier, published a book, which started with an assumption that prosperity of a country depended on three pillars of good governance, viz. fiscal capacity, judicial capacity and peace. The pillar of prosperity (POP) index for a country is then given as the un-weighted (or equally weighted) average value of indices for the three pillars, which also lies in the (0–1) range. Based on this analysis, the POP index for India was estimated to be 0.235 with the values for three components of pillar (their proxies) of peace at 0.065; state capacity at 0.216 and income at 0.426. Among the 150 countries for which data were available for all three indicators, India ranks very poorly at 146. The data used and the methods of analysis and interpretations need a more careful review. Use of international data sets on measurement of governance has to be viewed with caution.

3. Julius Court (2002), in his study, also cited above studied governance in the areas of participations, fairness, transparency, efficiency, decency and accountability as perceived by experts using a schedule of 30 questions, five questions for each functional area, and perception was measured on a 5-point scale. The study reveals governance has improved significantly in given period comparison. Table 5 gives average ratings (5 point scale) of India. The author, quoting the findings as indicative assessments on governance due to various limitation of study, also recommends future studies on governance to have adequate sample, tuned methodology for a country with diverse culture.

Table 5: *Average Score for India: Comparing Ratings for Six Dimensions*

Dimension	Civil Society	Political Society	Government	Bureaucracy	Economic Society	Judiciary	Average
5 years ago	3.24	2.98	3.07	3.29	2.86	2.95	3.06
Now	3.28	3.07	3.01	3.20	2.98	3.00	3.09

Source : Julius Court (2002).

It can be seen from the above table that in four of the six dimensions studied, there has been marginal improvements during the five-year period.

The index developed by Virmani et al., in their study cited earlier, shows that the governance index varied with a low of 4.31 (Bihar) to a high of 8.62 (Kerala) for the year 2003–04 on an open scale. At the country level overall governance index computed by weighting all the different variables used under ‘public goods’, ‘quasi-public goods’ and ‘government-monopolised goods’. India scored 97.2, with Pakistan scoring lower at 75.8 and Sri Lanka well above at 191.5. Though a significant relation with few development indicators and governance indicators were seen, the authors suggested inclusion of more variables for computing the index of governance. In conclusion, the authors indicate the governance index for state and national level needs more refined data than available in published reports. The values on the indicators used by the authors correlated with GDP per capita and HDI and compared well with the findings from the study by Mundle et al. are presented in Table 6 and discussed below.

4. Sudipto Mundle et al. (2012) constructing index of governance at the state level for India for the 17 large states is the most recent and significant study on governance in India at the state level. The performance on each dimension of governance has been measured using indicators that are all based exclusively on factual data and not perceptions. These multiple indicators of the very complex concept of good governance have then been aggregated into a comprehensive quality of governance score. The principal component analysis (PCA) was one of the methods used to rank the states by governance. According to the study, Bihar scores low at -0.78 and Punjab scored high at 0.911. The authors found that GSDP has significant correlation with governance and weak correlation with other development indicators and all the states has a progressive measurable development along the years. As with other studies on Indian state governance, this study too had a limitation on determining the dimension and indicators of governance. They also mention that the growth of a state was also due to several other factors, in addition to governance.

A comparison of the indexes of governance at the state level, computed by different scholars and given in Table 6, reveal interesting findings. The ranking of the states by the quality of governance changes drastically from one study to the other and also changes over time. For example, among the states, Kerala ranked first in 1992–93 on the governance index based on ‘Index of public goods’ computed by Virmani et al. Even in 2003–04 the state retained its premier position and the gap in index values between Kerala and the other states was very wide. Based on ‘Index of state monopolized private

Table 6: Indicators of Governance in Selected Dimensions and HDI Values for Two Periods at the State Level in India

State	S. Mundle et al.	SDP	Percent age of mobile phones	HDI [#]	A. Virmani et al.				HDI [#]	
	Governance Index				Index of Public Goods		Index of Government-Monopolised Private Goods			
					2011	2011-12	2011	2011-12	1992-93	2003-04
Andhra Pradesh	0.606	56817	54.93	0.309	0.5	1.6	1.64	1.58	0.217	0.298
Assam	-0.478	30786	43.45	0.138	-0.73	1.9	0.18	0.09	0.147	0.234
Bihar	-0.78	11558	51.6	0.158	0.77	1.15	-0.31	-0.3	0.061	0.05
Chhattisgarh	-0.053	44826	27.19	0.18	-	-	-	-	-	-
Gujarat	0.49	63961	58.59	0.477	0.19	1.82	4.24	3.54	0.362	0.429
Haryana	0.792	55214	66.92	0.493	0.55	1.67	1.9	1.39	0.396	0.544
Himachal Pradesh	-	-	-	-	-1.04	1.84	2.02	2.15	0.43	0.605
Jharkhand	-1.123	22780	44.1	0.222	-	-	-	-	-	-
Karnataka	0.073	37464	56.53	0.42	0.98	1.72	2.01	1.56	0.326	0.436
Kerala	0.167	46511	46.77	0.911	4.45	4.15	2.55	2.09	0.805	1
Madhya Pradesh	-0.191	19736	40.59	0.186	-0.27	1.65	1.57	0.72	0.069	0.182
Maharashtra	0.218	57458	53.71	0.629	0.51	1.95	2.73	2.06	0.446	0.583
Odisha	-0.277	24098	35.63	0.261	0.96	1.66	1.36	1.06	0.159	0.174
Punjab	0.911	43539	62.27	0.538	-	-	-	-	-	-
Rajasthan	0.194	34189	62.49	0.324	-0.01	1.5	1.12	0.76	0.155	0.278
Tamilnadu	0.407	46823	62.09	0.633	2.4	2.4	1.46	1.47	0.387	0.587
Uttar Pradesh	-0.331	23132	61.2	0.122	0.45	1.14	0.55	0.22	0.066	0.167
West Bengal	-0.627	45346	42.94	0.483	0.52	1.46	-0.15	-0.01	0.353	0.462
Correlation Coefficient	0.530*	0.641*	0.331	-	.632*	.829**	.551*	.592*	-	-

Source: (a) HDI Source: Three Decades of Human Development across Indian States: Inclusive Growth or Perpetual Disparity? Working Paper No. 2014-139, June 2014, National Institute of Public Finance and Policy, New Delhi.
 (b) SDP data from Planning Commission.
 (c) Per cent with mobile phones from 2011 Census data.

goods', Gujarat was the first in both the years and this is surprising because Kerala is also known to be prime mover even in private goods. In contrast, on the basis of the governance index computed by Mundle et al. for the year 2001, Kerala ranked eighth among the 17 states studied and can be considered as one of the poorly governed states. There is anomaly between different indexes that has to be reconciled. This comparison points out an important fact that governance is a multi-dimensional phenomena and comparisons across the states and over time has to be done with caution.

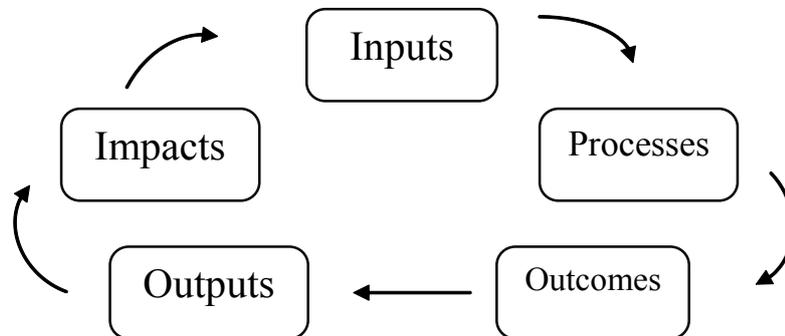
VI. Need for Further Studies and Conclusions

From the above brief overview of the studies on governance at the Central and state levels in India and their relationships with development, we can infer that any index of governance should be:

- (a) multidimensional,
- (b) take into account the political system,
- (c) carried out at different layers and divisions of the government and
- (d) useful not only for assessing the quality of governance in a particular dimension but also useful in monitoring the programs and improving the governance.

The three dimensions or pillars of governance selected by the WGI and the six functional areas, two each for each dimension, seem to be appropriate for Indian democracy; but the index, indicators and the variables to be used for measuring for each functional area need revision for the Indian context. Indicators have to be developed not only at the state and Central levels but also at the third tier of governance, viz. the panchayats in the rural areas and *nagar palikas* in the urban areas. On issues of corruption, delays in decision making and levels of control exercised by the governments on the corporate and non-governmental sectors, perceptions of the stakeholders seem to be as important as hard data. There should be methods of converting perception data to estimates of quality of governance through appropriate statistical methods. Of course, there will be a reflection of perceptions on politicians and political parties at the time of elections. But, there should be appropriate methods for validating perception data with hard facts and merging them with indicators of governance. On the basis of these observations we recommend the following:

1. The development of dimensions and indicators of governance should follow the systems approach whereby the relationships between various facets of the system (given in the following figure)



is worked out for each programme at the beginning of the programme and indicators of governance are worked out *a priori* on the ‘processes’ and monitored.

2. The major problems in policy and programme implementations in the country are not lack of policies and programmes but their timely execution. In the implementation of programmes, there are large gaps on time lines in implementation, differentials in quality, areas and effectiveness and efficiency. The dimension of identifying the various critical ‘gaps’ in programme implementation should be a major dimension of governance.

3. Any index of governance within a country at the national level or sub-national levels should take into account the existing political system as given and develop the indicators to be useful within the given system. Viewed from this angle the indicators of ‘voice and accountability’ should take a secondary place in the development of the governance index than effectiveness of programme implementation.

4. The role of the governments at the Central and state levels is crucial in many of the governance indicators related to development in India. The governance indicators in the West, especially the United States, were more directed at improving the effectiveness and efficiency of the market system. India is yet to come to this stage of development. We should focus more on the governance indicators that will contribute to strengthening of the government system and development.

5. The governance indicators should serve a dual purpose. First, they should measure the level of governance quantitatively in the desired dimension specified as stated above taking into political system and developmental aspirations of the people. Second, it should help to monitor the improvements in governance over time. It should not be an instrument to criticise countries as is done by WGI and as stated by the United Nations Development Program and by Sundarame *et. al.* (2012).

6. The indicators of governance should be worked out for each department and the ministry of the governments at the Centre and the state and should be used both to assess and monitor the effectiveness and efficiency of the programmes and processes by the ministry and not just to criticise the department.

7. It will be useful, on a pilot basis, to study one department or ministry at the Central and state levels, for example, the Ministry of Health and Welfare, identify the critical risk areas that contribute to the lessening of the governance and also suggest various alternative measures of improving the governance. This can be undertaken as a research project. The findings from this project may also be useful for other ministries and departments.

8. The widespread use of computer technology, Internet facilities and mobile phones have changed the developmental aspirations of the people across the globe irrespective of the political systems under which they live. Technology may cut across the structural barriers of governance such as religion and caste and will be a potent force in assisting governance.

9. There should be appropriate statistical techniques developed for converting the so called soft data on perceptions of people and other stakeholders on different dimensions of governance into usable hard data.

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Appendix I

Data Sources Used in 2013 Update of Worldwide Governance Indicators

1. African Development Bank Country Policy and Institutional Assessments
2. Afrobarometer
3. Asian Development Bank Country Policy and Institutional Assessments
4. Business Enterprise Environment Survey
5. Business Enterprise Environment Survey
6. Freedom House Countries at the Crossroads
7. European Bank for Reconstruction and Development Transition Report
8. Economist Intelligence Unit Riskwire & Democracy Index
9. Freedom House
10. Transparency International Global Corruption Barometer Survey
11. World Economic Forum Global Competitiveness Report
12. Global Integrity Index
13. Gallup World Poll
14. Heritage Foundation Index of Economic Freedom
15. Cingranelli Richards Human Rights Database and Political Terror Scale
16. IFAD Rural Sector Performance Assessments
17. iJET Country Security Risk Ratings
18. Institutional Profiles Database
19. IREEP African Electoral Index
20. Latinobarometro
21. International Research and Exchanges Board Media Sustainability Index
22. International Budget Project Open Budget Index
23. World Bank Country Policy and Institutional Assessments
24. Political Economic Risk Consultancy Corruption in Asia Survey
25. Political Risk Services International Country Risk Guide
26. Reporters Without Borders Press Freedom Index
27. US State Department Trafficking in People report
28. Vanderbilt University Americas Barometer
29. Institute for Management and Development World Competitiveness Yearbook
30. World Justice Project Rule of Law Index
31. Global Insight Business Conditions and Risk Indicators

Appendix II

Governance Perceptions Questionnaire –An Illustration

(Taken from Court (2003). ‘Assessing and Analysing Governance in India’)

This survey is the pilot phase of a project to get systematic information on governance for countries around the world. This pilot survey is being conducted in over 40 countries by the United Nations University (UNU) and local partner institutions around the world. The ultimate goal is to better understand what aspects of governance matter most and to provide informed policy advice in this area.

In order that we can make effective comparisons over time and across countries, the survey instrument is a pre-coded, multiple-choice questionnaire. It is important to answer all the questions. Your answers should reflect your experience and perceptions of governance for your country.

We are well aware that these standard questions cannot capture the full complexity of governance issues. Therefore, in addition to indicating which standard answer comes closest to describing your case, please provide additional comments to better explain the situation in your country. Also please add comments if there have been important changes in governance contexts over the last five years, noting the date and nature of these changes. We will take these comments into account when we analyze the findings.

The questionnaire should be filled in by an expert who has extensive experience and can answer questions on the main dimensions of governance in the respective country for the past 5 years. Such an expert should be able to fill in the questionnaire in a maximum of 1 hour. Please contact the country coordinator if you would like further clarification on the aims of the project or regarding specific questions.

Note: The information obtained will be treated with the strictest confidence.

The questionnaire comprises 30 questions and is divided into 6 parts.

Part I: covers the extent of participation in the political process.

Part II: covers the way interests in society are aggregated in the political process.

Part III: covers government stewardship of the system as a whole.

Part IV: covers policy implementation, particularly the bureaucracy.

Part V: covers the relationship between the state and the market.

Part VI: covers dispute resolution, particularly the judiciary.

PART I: PARTICIPATION IN THE POLITICAL PROCESS

1. To what extent do citizens have the freedom of expression?
2. To what degree do citizens have the freedom of peaceful assembly and association?
3. To what extent is there discrimination in politics?
4. To what extent do governments facilitate public discussion on major shifts in policy?
5. To what extent do citizens respect the system of rule-making?

PART II: INTEREST AGGREGATION IN THE POLITICAL PROCESS

6. To what extent is the legislature representative of society?
7. To what degree is there real competition for political power?
8. To what extent does the policy-making process fairly reflect public preferences?
9. To what extent does the legislative function affect policy content?
10. To what extent are legislators accountable to the public?

PART III: GOVERNMENT STEWARDSHIP

11. To what extent is the government committed to ensuring the personal security of citizens?
12. To what extent is the government committed to ensuring an adequate standard of living for citizens?
13. To what extent are leaders encouraged to make tough decisions that are in the national interest?
14. To what extent does the military accept its subordination to a civilian government?
15. To what extent is the government committed to peaceful resolution of internal conflicts?

PART IV: POLICY IMPLEMENTATION, ESPECIALLY THE BUREAUCRACY

16. To what extent are higher civil servants part of the policy-making process?
17. To what extent is there a merit-based system for recruitment into the civil service?
18. To what extent are civil servants accountable for their actions?
19. To what extent are there clear decision-making processes in the civil service?
20. To what extent is there equal access to public services?

PART V: RELATIONSHIP BETWEEN THE STATE AND THE MARKET.

21. To what extent do persons in public office promote respect for property rights?
22. To what extent are economic regulations applied equally to firms in the economy?
23. To what extent is obtaining a business license associated with corrupt transactions?

24. To what extent is there consultation on policy between public and private sector actors?
25. To what extent does the government take the new rules of global trade, finance and technology flows into account when formulating policy?

PART VI: DISPUTE RESOLUTION, PARTICULARLY THE JUDICIARY

26. To what extent is there equal access to justice for citizens?
27. To what extent are there clear decision-making processes in the judicial system?
28. To what extent are judicial officials accountable for their actions?
29. To what extent are international legal norms in the human rights field being incorporated into the national rights regime?
30. To what extent are non-judicial processes in place for fair resolution of conflicts?

OTHER GENERAL COMMENTS

(*Note:* The set of 30 perception questions are taken from pages 22 to 33 of the paper Court (2003). 'Assessing and Analysing Governance in India: Evidence from a New Survey.' World Governance Survey, July 2003. http://archive.unu.edu/p&g/wga/publications/governance_in_india.pdf)