

## VIII PROVIDING GOOD GOVERNANCE

By 2010, the Chhattisgarh will be at the forefront of providing good governance to its citizens. Government functioning will be transparent and responsive to peoples' needs and will nurture an environment where citizens will play a leading role in decision making and developmental activities

Central to the theme of achieving economic and social development is the quality of "Governance". While there is no single definition of Governance, it can be broadly defined as "the processes, systems and structures that guide the social, economic and political relationships". Thus governance is broader than government and envisages a role for private sector, civil society and citizens at large. However, government is the focal point for instituting good governance as all other institutions function within the overall institutional framework provided by the government.

By 2010, Chhattisgarh will be at the forefront of providing good governance to its citizens. Government functioning will be transparent and responsive to peoples' needs and will nurture an environment where citizens will play a leading role in decision making and developmental activities. It will be a facilitator for market-based development by creating and nurturing a simple and efficient policy framework.

Good Governance is about "socio-economic relationships", which would be established by focussing on the requirements of the following relationships:

- **Democracy and Services**
  - State and international institutions
  - The elected (politicians) and the appointed (civil servants)
  - The legislature and the executive, and
  - Local government institutions
- **Businesses**
  - Governments and the markets, and
  - Government and the private or the voluntary sector

In order to ensure good governance, the State has set for itself the following objectives:

- Keep the citizen as the focus of all activities, and deliver cutting edge services
- Remove redundant layers in government functioning through streamlining of processes and systems
- Revolutionise government through adoption of modern tools of information technology
- Allow market based forces to flourish while maintaining safeguards against discrimination
- Involve people in all aspects of development – planning to execution
- Establish a mechanism for public scrutiny of government functioning
- Build an ethos of public service and collective well-being
- Create a set of simplified rules and procedures

While participatory, accountable, transparent and efficient working would ensure the efficient democratic functioning, improved quality of services would be achieved by E-Governance. Similarly, ensuring simplified rules and regulation for prospective investors and businesses would ensure its business focus

The objectives have been framed in order to address the various issues that face governance in Chhattisgarh today. These include:

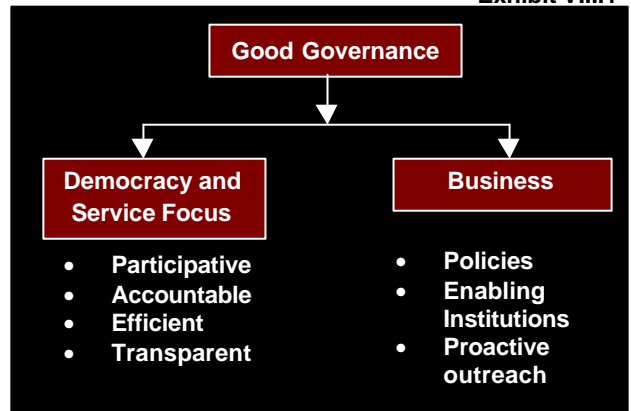
- **Policy formulation and program design** – Policy framing by the government is not in isolation from the target or the objective behind the policy. There is a need for greater involvement of people and transparency in formulation of policies and programmes. Participation would include both beneficiaries as well as implementation units (both within and outside the government)
- **Communication** – There is also a need for strengthening the communication process so as to ensure policy initiatives and programme objectives are communicated to beneficiaries. Also the lack of communication between departments results in overlapping functioning and delay in the delivery of services. Ineffective communication in turn inhibits people participation
- **Implementation and impact assessment** – There exists scope for improving the implementation structures within the state. Impact assessment also need to be institutionalised to receive regular feedback on government policies and programs so as to ensure improvement in policies and programs

To achieve the objectives defined above, the State would follow the strategies outlined in Exhibit VIII.1 to ensure that all the issues of governance are addressed.

While participatory, accountable, transparent and efficient working would ensure the efficient democratic functioning of the government, the improved quality of services offered by the government would be achieved by reorganising service delivery structures and the relevant use of Information Technology. Similarly, ensuring simplified rules and regulation for prospective investors and businesses would highlight its business focus.

People participation will form the basis for development – taking into account peoples’ priorities. All public officials will be accountable for their actions and their performance will be measured against pre-defined criteria. Government functioning will be transparent and accessible to people. This would be instrumental in rooting out corruption from all

Exhibit VIII.1



levels of administration and governance. Efficiency will be a key driving force and government operations will be continuously streamlined and procedures will be minimised.

Good governance with a focus on increasing the democratic functioning would be composed of the above mentioned themes. These themes reinforce one another (Exhibit VIII.2) and permeate all aspects of government functioning and decision making and are discussed in detail below.

### 1. Democracy and Service Focus

The focus on establishing a vibrant democracy with emphasis on the quality of services offered would comprise of four factors:

#### **Participation**

The principle of participation is derived from the fact that people are at the heart of all developmental initiatives. In the context of the Vision document, participation includes building partnerships. Chhattisgarh will follow partnership based governance

and forge long-term relationships with various institutions functioning in society viz. private sector, developmental institutions and above all the community. Increased participation of people would be achieved by ensuring decentralised decision making, strengthening of District Planning Committees and ensuring participation of the informal sector.

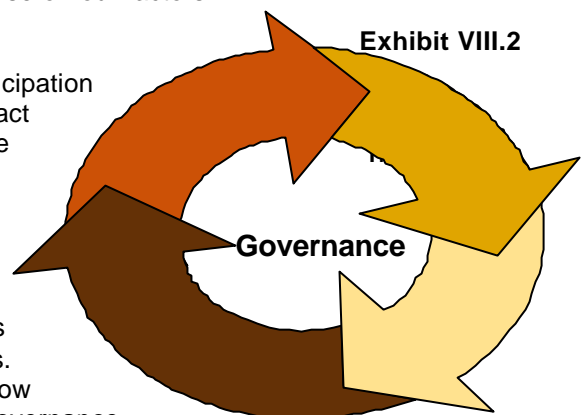
Participation and decentralisation share a symbiotic relationship. Participation will be achieved through greater decentralisation of decision making to people. The State would ensure the participation of the people in all developmental schemes in lines with the Janmabhoomi scheme in Andhra Pradesh (Exhibit VIII.3). It is an excellent example of people participation in development planning and execution.

The 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments have sanctified the validity and role of Panchayati Raj Institutions, which the State will endeavour to achieve. Chhattisgarh has already taken long strides in decentralising power to its local bodies. The democratic decentralisation will be further strengthened by administrative and fiscal decentralisation so that local people have access to resources – natural, financial and

#### **Exhibit VIII.3 Janmabhoomi – People Participation**

Janmabhoomi is a people centered development process launched in the State of Andhra Pradesh in January 1997. The scheme involves participation of people in identification of priority works and labour contribution by local people in the form of shramdan. Works executed typically include repair of roads, construction of school buildings and dispensaries, irrigation works such as check dams and percolation tanks, etc. State engineering and works departments are responsible for technical and administrative sanction, quality control and payment. All works executed under the scheme are subjected to social audit at the local level through gram sabhas and public meetings. All funds are channelised through the district collector and he/ she is also responsible for reviewing progress of works on a monthly basis.

**Source: PwC Research**



### **Exhibit VIII.4 Decentralisation – Kerala Example**

Kerala has achieved remarkable progress in decentralising institutions like Krishi Bhavans, Veterinary Hospitals, Primary Health Centres and Government Dispensaries, Schools, Anganvadi, etc. to local bodies. In order to enhance role of local bodies in development, a "People's Campaign for the Ninth Plan" was organised. In the first phase of the campaign, gram sabhas and ward conventions were convened to identify development needs of the people, indicate their priorities and suggest solutions. In these discussions approximately 30 lakh people participated. In the subsequent phases, the priorities identified at the local level were integrated into the overall plan through series of discussions with experts, policy makers and people representatives.

**Source: PwC Research**

human and more control over utilisation of these resources. The State will increasingly deconstruct the power centres from the State government to local bodies. Services like education, health care and agriculture extension would be increasingly decentralised and local people will have a larger say in management of these services.

The government is also cognisant of the need to enhance the capacity of local bodies to delivery to management and effectively deliver services to its citizens. Systematic reform will be instituted across local bodies with the following objectives:

- To make local bodies self-sustainable and independent
- Improved financial management of local bodies
- Improved planning and execution capabilities of local bodies
- Enhanced cost recovery of municipal services at the same time maintaining a safety net for poor

One of the key measures for fostering public participation will be the institutionalisation and strengthening of the District Planning Committees (DPCs). The State level plans will be aggregated from the district levels and DPCs will be the nodal planning agency at the district level. They will focus on district priorities while planning development projects. DPCs will represent all local bodies in the district and present the district level plan. It will play the important role of balancing the needs and requirements of urban and rural local bodies in the State.

The DPCs will consist of representatives from cross section of the society. DPCs will evoke people participation through gram sabhas and ward meetings (Exhibit VIII.4). Apart from their planning role, DPCs will also have power to sanction and execute development works in the district. The DPCs will also be responsible for reviewing and monitoring the implementation of national and State level programmes at the district level. District level planning will be improved by strengthening the data collection process.

Participation in the context of governance also relates to the role played by the informal sector. The informal sector will supplement rather than supplant the efforts of government. Programmes will be initiated which will involve a larger role for the informal sector in

- Information, Communication and Education (Primary and Adult)
- Family planning, childcare, maternal care and nutrition
- Tribal welfare
- Capacity building of local government institutions, especially in the rural areas

### Exhibit VIII.5 UK – Citizen Charter

United Kingdom has successfully institutionalised Citizen Charters through its Service First programme. Every government department and agency is responsible for setting up and monitoring adherence to six service standards which include simple standards like time taken to respond to letter, faxes and e-mail, meeting people without scheduled appointments, etc. There are more than 200 citizen charters across 10 categories ranging from health, education, employment, housing, legal, transport, etc. Every agency prepares a performance review report to analyse its performance against the service standards. It was revealed that most of the agencies replied to all forms of communication with 90% or higher efficiency. Through public consultations and performance review, three additional standards have been added to the earlier six.

**Source: PwC Research**

The State is conscious of the need for the informal sector to remain flexible in delivery of their functions and therefore the programmes will be designed in a manner that extends utmost freedom to the institutions.

### **Accountability**

Accountability will be ensured through a system of performance reviews. Initiatives by all government agencies in Chhattisgarh have been taken to set up Citizen Charters (Exhibit VIII.5 illustrates similar initiatives in United Kingdom). These agencies include:

- Urban Local Bodies – water supply, street cleaning, waste removal, birth and death registration, building plan approval, etc.
- Utilities – water, power, transportation
- Citizens services – registration, agriculture, labour, post and telegraph, public distribution

The State would take appropriate steps to communicate to the people the objectives behind framing the charters, thereby ensuring their complete utilisation. Government employees would be trained to deliver quality services. An unbiased grievance redressal mechanism would address citizen complaints regarding non-adherence to citizen charters.

Another aspect of improving accountability relates to institutionalising a performance review mechanism. In Canada all departments prepare an annual report on plans and priorities (RPP) which is also reviewed by media and members of the public. Departments also develop performance indicators to measure achievement of results and also assess utilisation and requirement of resources. In Chhattisgarh all government agencies would be subjected to a quarterly or bi-annual performance review process wherein their performance will be monitored. Incorporating feedback from citizen surveys and social audit will strengthen the performance review mechanism.

### **Transparency**

Government and its institutions will operate in a transparent manner ensuring a high level of transparency. Openness in the government's functioning would also be achieved by strengthening the Right to Information. Most of the developed countries in the world like Canada, Denmark, Sweden, United States, New Zealand, Australia etc. have enacted the Right to Information as statutory law. This has given legal sanctity to citizens' rights to seek information about government services and actions.

The State would ensure the following in order to make the Right to information a reality:

- Establishing specific systems and procedures for storage, dissemination and updation of information
- Allocation of funds for operationalising right to information

### **Exhibit VIII.6 Surguja– Right to Information**

In October 1996, a programme was introduced for increasing the transparency in public distribution system through public scrutiny of quantity of essential commodities like rice, sugar, wheat and kerosene oil supplied by fair-price shops in the district. All fair-price shops are required to maintain three registers - Stock Register, Sales Register and Ration Card Register. It is the duty of the salesman to prepare a copy of the registers and get it certified by the lead co-operative society in the region. Copies of these registers are made available to people at the Tehsil office. Any resident could obtain copy of the registers within 24 hours on payment of Rs. 3. Before implementing the programme, special gram sabhas were organised in all the 1100 Odd Gram Panchayats where public leaders and officials explained the merits of the scheme to villagers. In the same month when the programme was implemented, there were about 2500 quintals of stock unlifted in the district and leakage into the black market was checked. In the next few months, the per unit distribution of items almost doubled.

**Source: PwC Research**

- Accountability of public officials to provide access to information would be strictly established
- Setting up of an independent entity for addressing appeals

Apart from legislative enactment, the State would endeavour to achieve higher transparency in all its operations. The Surguja model (Exhibit VIII.6) explains how people in the district have better access to information regarding the functioning of the public distribution system.

#### **Efficiency**

Efficiency would be a measure of the end goal against the stated objective as well as the process undertaken. In Chhattisgarh, efficiency would impact all aspects of government functioning – right from planning to decision making and execution.

Government spending across all sectors would be prioritised such that resources are used for sectors that need them the most. In the physical infrastructure sector, government funding would be focussed upon those sectors where private provision of services is not feasible. The State would reduce non-developmental expenditure and focus on human capital development.

Simplifying existing processes and procedures represents huge potential for improving efficiency of government machinery. All departments would scrutinise their internal operations and remove rules and procedures that are impediments to smooth functioning. They will specifically scrutinise processes and systems having high degree of interface with public. Suggestions and comments from the public would be invited to identify these redundancies. Government departments would be redesigned to remove overlapping responsibilities and these will be regrouped.

Activities of the government will be driven by performance orientation. The system of budgeting and performance measurement would be strengthened and all government departments would be strengthened for achieving specific targets. Efficiency in funds allocation will be the first step through the institution of zero-based budgeting. An achievement based reward mechanism will be instituted to reward good performance.

Exhibit VIII.7 overleaf shows the National Performance Review exercise conducted in United States and its results. The success of this exercise has resulted in institutionalisation of NPR. Such reviews would also be instituted in the State.

**Exhibit VIII.7 U S – National Performance Review**

In 1993, President Bill Clinton introduced National Performance Review (NPR) with the mission of “creating government that works better and costs less”. Based on the recommendations of the NPR, Congress passed the Government Performance and Results Act (GPRA) requiring all federal agencies to submit a five-year plan consisting of their mission, vision, objectives, goals, strategies and performance criteria. By December 1993, President Clinton had signed 16 directives including a drastic reduction in the size of the federal civil service, trimming of internal regulations by 50% and requiring agencies to set customer service standards. The second phase, which began in 1995, focused on reducing intra-organisational regulatory requirement.

By the end of second phase of NPR in 1995, the following had been achieved:

- Savings of \$58 billion.
- Identification of ways that would save \$28 billion a year in reduced regulatory burdens
- Proposed elimination of 16,000 pages of regulations
- Establishment of 3,000 standards of service to the public by 214 agencies

**Source: PwC Research**

**2. Business Focus**

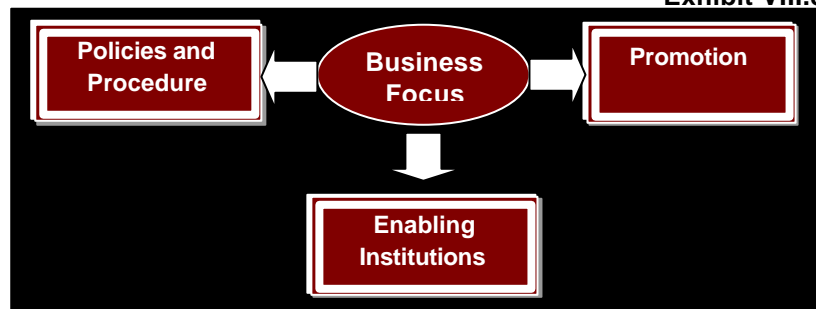
Realising the importance of attracting investment, the State would take suitable steps to enact favourable policies, create enabling institutions and ensure effective marketing. Chhattisgarh has already taken numerous initiatives in creating an investor friendly business atmosphere in the State. The various measures include:

- Constitution of a strategic management group to encourage foreign investment in the State and to service such investments
- Constitution of a taxation and revenue advisory experts’ committee for recommending tax reforms and tax administration reforms in the State
- Redesigning of the fifty two departments of the government in the undivided State to eighteen subject clusters in order to curtail unproductive administrative overheads
- Limiting the growth of public and para-statal agencies in the State. Six public sector undertakings in the undivided State with activities within Chhattisgarh have been merged into one single corporation to improve customer service

To further improve the investment climate, the State has identified a comprehensive set of initiatives to propel Chhattisgarh into the top 5-investment destinations in the country by 2010.

Chhattisgarh is going to leverage on its ‘new State advantage’ and focus on stability of policy for industry. The business focus of the State would be ensured by co-ordinated actions in the areas of policies and procedures, enabling institutions and promotion (Exhibit VIII.8).

**Exhibit VIII.8**



The State would make all existing industrial laws, rules and procedures sunset laws by declaring that all of them would cease to exist after December 31, 2001. However, before that new industry-friendly laws, rules, and procedures would have to be drawn up. These laws would be made in consultation with the key stakeholders outside of the government. An Economic Development Forum with representation from the industry and government would be created (Chapter XI) to work with the government with

***The State would make all existing industrial laws, rules and procedures sunset laws by declaring that all of them would cease to exist after December 31, 2001. However, before that new laws - only bare minimum necessary laws, rules, and procedures to be drawn up with an industry-friendly approach***

respect to policy. This forum would also review the progress and implementation of the policies and suggest corrective actions that need to be taken.

The State would review the existing labour policies so that they are equitable to both the labour as well as the employer. The State would review the minimum wage and rationalise it to bring it closer to the market rate. It would also look at the option of making Labour laws applicable only to industries employing 500 workers or more – thereby making labour laws redundant in the small scale and tiny sector. It would also identify and notify specified industrial areas/ growth centres in the State where it would delegate powers under labour laws to local officials.

Another major area of procedural reform would be in the culture of 'Inspector Raj'. The State is aware of the problem faced by entrepreneurs on account of inspections from various departments such as labour, commercial taxes, ESI, PF, excise, mining, health and safety, etc. It would abolish the culture of 'Inspector Raj' in Chhattisgarh. However, in case of lapses, heavy penalties would be imposed.

The State would also introduce a system of self-assessment and self-certification with respect to various returns. Further, it would a single composite return rather than multiple returns for the industry.

In order to attract fresh investments in the state, especially in the medium and large-scale sector, the State would improve the current system of land acquisition and upkeep of land records, which have led to delays in the past. Further, requirement of clearances from Town and Country Planning requirements/ gram panchayat/ other departments for setting up industry in specified industrial areas and growth centres would be done away with.

Further, to reduce policy conflicts and departmental delays, the State would create empowered institutions that would:

- Create a single comprehensive application form. The State would also ensure that the single window does is not just a despatch office that only leads to many doors. Hence, empowered committees at the state and districts level would be created which will ensure that approvals are given in the time frame stipulated, failing which the empowered committee would give deemed approvals
- Provide escort services in the State – CSIDC, AKVN and DTIC would provide escort services to large, medium and small-scale industries respectively. Each of these institutions would appoint specific nodal officers who would co-ordinate and handle investor interactions
- Prepare project profiles – CSIDC and DTIC would prepare and sell to prospective investors brief project

### **Exhibit VIII.9 E-governance - Seoul**

The Municipal Government of Seoul, South Korea, crafted the OPEN system (Online Procedures Enhancement for Civil Applications) to target corruption. The system publishes a variety of information related to the services, permits and licenses issued by the local government. The status of an application can be tracked by the applicant on a web site. The OPEN system requires that at each review stage the relevant official input the date and time when each application is processed. Free access to the status of an application makes applicants feel no need to contact officials or to provide a bribe to complete the process. In the 13 months since its launch in April 99 about 28,000 civil applications have been published by each city department. The site receives about 1600 visits a day. Results from a survey showed that 84.3% believed that OPEN led to greater transparency.

**Source: PwC Research**

profile of various viable projects in the State along with the various concessions and support provided by the Government

The State realises the need for marketing Chhattisgarh as an investment destination. The Strategic Management Group of the Government would be the primary marketing agency of the government. All projects which envisage investment of more than Rs. 200 crore would be provided escort services directly by this group and all applications, approvals, etc. would be co-ordinated by this group with minimal interface requirements down the line.

### **E-governance**

Each aspect of our daily life has been transformed by the advent of Information and Communication Technology (ICT). In such a scenario government functioning in the new millennium cannot be untouched by information technology. E-governance will not just be a tool, it will underline the strategic elements of governance – participation, accountability, transparency and efficiency. Use of modern technology will help the government leap frog from a structure and system driven institution to a people-centric institution. The various areas that would be transformed by the introduction of technology are as follows:

#### *Delivery of services*

One of the most important focus areas for implementing E-governance in the State would be to enhance the levels of citizen services over the Internet. Internet represents a potent tool for reaching out to all citizens at the same time with minimum effort (Exhibit VIII.9). All government departments will provide public interface over the Internet. The Internet would be used to reach out to the remote regions in the State and ensure the delivery of government services.

The third tier of government, consisting of local bodies, being closest to the people are responsible for providing basic services like water supply, sanitation, etc. These institutions also have the maximum interaction with the people. All activities relating to tax dues, municipal services, applications and registration at the local level would be enabled through the Internet.

The State has already initiated "single window service" concept through a pilot project in Raipur involving delivery of information relating to municipal dues, electricity bills, building plans etc. This project would be extended to all local bodies in the State in a systematic manner. The Online Procedures Enhancement for Civil Applications (OPEN) is an example of bringing administration closer to people by simplifying regular citizen-government interaction.

### Exhibit VIII.10

#### E-governance Andhra Pradesh

The Registration and Stamps Department has computerised the system of registering and preserving documents of immovable property transactions and providing several related services across 214 locations in the State. The system involves scanning and storing of documents on CD for easy retrieval. Between November 98 and April 2001 more than 1.8 million documents have been registered, over 6 lakh valuations have been done and over 7.5 lakh encumbrance certificates have been issued. The people have benefited from the vastly reduced time from registration services – from weeks to less than an hour.

**Source: PwC Research**

### Exhibit VIII.11

#### Strengthening Public Participation in Honduras

The Sustainable Development Network (SDN) is an Internet-linked group of more than 400 institutions that play a leading role in Honduran civil society. It acted as a clearinghouse for requests for food, medicines, blankets and other supplies in the aftermath of Hurricane Mitch. Sources of supply were identified via the Network, and their delivery was also co-ordinated online. The Network also plays an important longer-term role through topic-based virtual discussion forums and information exchange. The Network provides one of the few public spaces for discussion and access to information that is outside state control. This has led to a strengthening of civil society and provided greater opportunities to pressurise government to improve its functioning and transparency.

**Source: PwC Research**

The State would also use IT to facilitate business-related transactions with the government. All government procurement tenders, government policies and procedures regarding State taxes, excise duties, industrial promotion, fiscal and tax concessions would be made available over the Internet. A help desk for answering queries will back services delivered through the electronic medium.

#### *Digital processes*

Administrative processes relating to file movements will be enabled through IT to ensure minimal paperwork. All the existing files and documents will be digitised in order to improve information retrieval. This will enable faster access to reliable information. Exhibit VIII.10 presents the success of Computer Aided Registration Department (CARD) project in Andhra Pradesh.

#### *Peoples' participation*

The government will encourage the participation of virtual communities in public policy formulation (Exhibit VIII.11). This would enable the accurate and timely communication of its plans and priorities, unmindful of geographic or societal limitations. The State would promote the active participation of citizens by inviting comments and feedback regarding government policies and activities.

An active citizenry and effective public participation can only be achieved by enabling access to all citizens. The government's objective will be undermined if IT creates a new divide – those having access to IT and those deprived of it. The State would create information booths in rural areas and replicate the Gyandoot experiment (in Dhar district of Madhya Pradesh) across the State. Care would be taken to use the local language to enhance people participation through Internet.

Achieving the above strategies requires transformation in the governance. Taking initiatives with respect to the following would bring about this transformation:

- Institutions for advancing the adoption of IT in government
- Infrastructure
- Policy

#### **Institutional Mechanism**

Chhattisgarh Infotech Promotion Society (CHIPS) will be the nodal agency for promotion of IT in the State. CHIPS will oversee the IT initiatives in the State and will work along with the government departments, local bodies and other institutions to enable the adoption of IT related initiatives. It would also advise the government regarding formulation of IT policy for the State.

### **Exhibit VIII.12 APSWAN**

APSWAN is the backbone network for voice, data, and video communication throughout the State of Andhra Pradesh. It links the State Secretariat with 25 centres including all the District Headquarters towns with 2 MBPS fibre optic links, capable of being upgraded to 600 MBPS. APSWAN is also progressively connecting the Secretariat and the departmental headquarters with Local Area Networks in District Collectorates and other district offices, thus forming the backbone for the government Intranet. APSWAN is being used for interfacing with industry and citizens and also enables smooth communication between different government departments. It is being extensively used for video conferencing.

**Source: PwC Research**

CHIPS would focus on harnessing the potential of IT rather than creating expertise in the development of solutions.

### **Infrastructure**

The State would link all government departments, local bodies and government institutions through a statewide network (Exhibit VIII.12). All district, tehsil and block headquarters would be connected to the statewide network through a high-speed communication link. The State would actively forge long-term relationships with national and international telecommunication and IT companies to develop this network.

### **Policy**

The policy would ensure that Chhattisgarh progresses towards a single citizen user interface. Another key aspect of the policy will be the scalability of IT initiatives to keep pace with the changing environment.

It would present a clear and simple policy framework for adoption of IT by different government departments and agencies. The policy would act as a reference point for institutions while undertaking IT initiatives and will be a guide for ensuring efficiency in IT related investments.