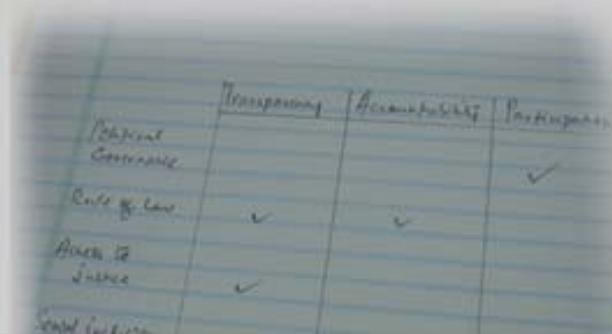


State of Governance

A Framework for Assessment



	Transparency	Accountability	Participation
Political Governance			✓
Rule of Law	✓	✓	
Access to Justice	✓		
Small business			

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PREFACE

Governance is a term that is widely used in public debate these days. It is generally seen as an answer to many, if not all, the problems that beset the country. Yet, there is no commonly agreed definition of governance. It could imply anything from corruption, inept administration to poor delivery of public services depending upon the context. While governance is seen as an important variable to mitigate many problems of the public sector system, the discussion becomes particularly vague, and ideological, when identifying the exact reforms that are required in improving the quality of governance. The key issue that prohibits an informed approach to governance reforms relates to the absence of objective and measurable data on the quality of governance, particularly at the sub-national level. There is an urgent need to develop a credible framework for assessing quality of governance in various States that could possibly provide an agenda for governance reform. Such an assessment would contribute to public debate and raise consciousness, while also helping to identify reform priorities and to monitor their progress.

To be effective, however, the assessment process should involve wide public consultations, preferably at national level. Although the discourse and practice on governance has been lead by international donor agencies, it is too important an issue to be left only to them to define and determine. Local stakeholders must be brought into provide a complimentary and contrasting perspective. Only then is governance likely to become a concept that is relevant to the concerns of the people of the country. That is, while we may draw upon international experiences and knowledge from around the world, the process of assessment should be nationally owned and based on inputs from primary stakeholders and reliable secondary databases.

The role of users of governance indicators is vital because governance, or at least good governance, is essentially demand driven: other things being equal, the governed will get the quality of governance that they demand. Governance will be democratic, responsive to the needs and interests of the governed, honest, transparent and accountable if, and only if, citizens from all significant social groups demand that it be so. However, governance indicators have primarily been used at the international level by international donor organisations. Primary users of the governance indicators are not the governed within, but people and organizations from outside the countries concerned. If any governance assessment is to contribute directly to improved governance, the primary user group should be citizens of the countries. Those users should represent the entire spectrum of the governed, including women and the poor. Governance, indicators therefore need to incorporate a strong role for the governed in their design and use.

If governance is important to citizens, it is more important for the poor and disadvantaged. The influential and the well-to-do can and do find their way around 'poor' governance. It is likely that they are part of 'poor' governance system and benefit from it. It is the poor who depend upon governance arrangements for primary medical care, education, transport and livelihood opportunities. Governance has to be seen from the perspective of

the poor and weak, women and children and minorities. This will require changes in both the nature of governance indicators, and in the capabilities of users. The objectives of good governance can only be achieved if governance indicators are pro-poor and gender-sensitive, as well as user-friendly and designed to meet the needs and match the capabilities of a diverse range of users among the governed.

The framework for assessing the state of governance presented in this volume is an attempt at developing a home-grown model that would find acceptance among the State Governments as Human Development Report has in the recent past. Based on international discourse and practice on governance measurement and in consultations with leading experts from different fields, a comprehensive framework for assessing governance at the State level has been suggested. The framework contains detailed set of governance indicators that are based on primary as well as secondary data collection. This volume is accompanied by a detailed State of Governance - Toolkit intended to guide the process of governance assessment at the State level. It is a kind of how-to-do manual which contains detailed steps for data collection including the instruments for survey.

It is recognized that this is but the first step in the journey and the framework once implemented would be subject to serious scrutiny and debate and over a period of time become more robust and rooted. It is hoped that the framework, if applied and used in the right letter and spirit, would eventually result in improved quality of governance.

CHAPTER 1 - INTRODUCTION

1.1 Background

The idea that quality of governance contributes to improved human well-being and sustained development has gained widespread recognition in the past decade and a half. Whether or not there is a direct correlation between good governance and improved human well being, experience shows that chronic poverty is generally associated with poor governance. As a matter of fact, the concern for quality of governance arose in the 1990s in the wake of persistent poverty which was seen to be a result of inefficient and poor use of public funds, endemic corruption and poor service delivery in many third world countries. The concept of governance received greater attention as multilateral agencies such as the UNDP and the World Bank discovered that successful development required reforms in political and administrative regimes. While the way governance is defined by different institutions and countries differ, they all underline the critical importance of the quality of institutions and public management in service delivery.

There are three key realizations implicit in the governance approach. Firstly, it signals a conscious shift from technocratic and apolitical development paradigm to one which is dynamic and inherently political. Secondly, it recognizes that good governance is more than good government. It involves the articulation between the state (at all levels) and other stakeholders within the broader society. Thirdly, governance goes beyond the 'management' doctrine by attempting to address institutional issues.

In India, the quality of governance is reflected in its many remarkable successes as in the significant failures that it has had to contend with. The ability to forge unity despite its diversity and build a functioning, vibrant and pluralistic democracy is, perhaps, the single most important achievement of democratic governance in India. The functioning of democratic institutions, a vibrant market economy, an active civil society and a fearless and independent media are other notable achievements. Simultaneously, India continues to make rapid strides in its fight against poverty; and access to basic services such as healthcare, primary education and food security is today almost universal.

At the same time, there have been many shortcomings. Development outcomes have been less than optimal and poverty eradication continues to be a core development issue with nearly a quarter of the Indian population living below the poverty line. Employment growth, particularly in the private organized sector, has been limited. Major fiscal imbalances, regional disparities in development and poor law and order are very important issues in many States. Delivery of public services remains inefficient and vulnerable sections of society including women, children, schedule castes, schedule tribes and minorities remain marginalized in many parts of the country. These aspects are all manifestations of poor governance in political, economic or public administration domains.

The 10th Plan document has identified some manifestations attributable to poor governance, which are:

- Poor management of economy, persisting fiscal imbalances and regional disparities;
- Denial of basic needs to a substantial proportion of the population;
- Threat to life and personal security;
- Marginalisation and exclusion of people on account of social, religious, caste or even gender affiliation;
- Lack of sensitivity, transparency and accountability in many facets of the working of State machinery;
- Delayed justice;
- Existence of a significant number of voiceless poor with little opportunity for participating in governance; and
- Deterioration of physical environment, particularly in urban areas.

The subsequent sections of the report outline in detail the approach for undertaking the project. Chapter 2 provides an overview of the governance concept and approaches used for measuring it. Chapter 3 details the suggested framework for assessing the quality of governance at the State level. Chapter 4 provides the detailed list of governance indicators. Finally, conclusion and the way forward are given in the end. The international discourse and practice is given in the annexe.

Acknowledgements

Centre for Good Governance, Hyderabad was involved in developing the strategic approach and the indicator framework. The team from CGG along with AC Nielson ORG-MARG conducted the survey and statistical analysis. Our gratitude and special thanks are due to everyone involved for their valuable inputs.

CHAPTER 2 – GOVERNANCE: CONCEPTS AND APPROACHES

2.1 The Rise of 'Governance'

Four sets of phenomena have combined to drive the explosive growth of interest in the quality of governance – and with it the use of governance indicators – in recent years (Christiane Arndt and Charles Oman, 2006).

- a. The end of cold war brought about a change in attitude of developed countries and multilateral aid agencies towards developing country governments which till then was coloured by the latter's position in bi-polar world. The World Bank had also radically reversed its policy in 1996 by placing the acute problem of corruption in many of the borrowing countries at the centre of its lending policy. The notion of good governance as a necessary condition or at the very least, as providing an enabling environment for sustainable development and poverty reduction has gained widespread currency.
- b. There has been a spectacular growth in international investment in developing countries in the last 15 years. The quality of governance in these countries assumed importance in proportion to the increase in assets exposed to risk. Competition among these countries to attract foreign investment prompted a shift in policy orientation towards improving governance.
- c. The relative failure or inadequacy of policy reforms widely undertaken in 1980s and 1990s contributed to growing understanding and recognition that good governance was needed for the success of the market reforms.
- d. The New Institutional Economics spearheaded by Douglas North has demonstrated the importance of a country's system of governance – its formal and informal institutions (the latter including its culture and unwritten values) and their interactions with the behaviour of economic and political entrepreneurs and organizations – for the country's success in terms of long term economic growth, enhancement of human welfare and societal development. Quality of governance was increasingly seen as the outcome of the effectiveness of a society's institutions. (Azmat Gani and Ron Duncan)

The increasing interest in governance shown by international investors, aid donors and development analysts eventually led to efforts aimed at operationalisation and measuring governance through quantitative indicators. By one estimate, there are now some 140 user-accessible sets of governance indicators comprising literally thousands of individual indicators. Their proliferation has in turn led to production of several governance-indicator 'guides' and 'inventories' that provide valuable 'how to use;' and 'where to find' information on many of these indicators. *UNDP's Governance Indicators: A Users Guide* is one such guide to help non-specialist user on where to find and how to use sources of governance indicators.

2.2 What is Governance?

Although governance has been defined variously by different people depending upon the context and perspective, there is agreement over the broad elements of governance. While Webster's Dictionary defines governance simply as *'the act of governing or exercising authority'*, other definitions are more elaborate. Some of the definitions are given below:

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 realise their potential and enlarge the set of available choices, on the other.*

Tenth Five Year Plan

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.*

HDR

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, Recanatini and Biletsky, World Bank

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

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
Communication on Governance and Development*

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.

ADB

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*.

*World Governance Survey
United Nations University*

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*.

*The Governance Working Group
of the International Institute of Administrative Sciences 1996*

Governance is the process whereby *societies or organizations make important decisions, determine whom they involve and how they render account*.

Institute on Governance

...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 non-governmental organizations, civil society organizations, and private firms as well as the public sector or state.

*The State of Governance in Bangladesh 2006
Centre for Governance Studies , BRAC University and
BRAC Research and Evaluation Division*

At one level, it (governance) concerns *political and electoral reform*. At another level, it concerns *interface between administration and citizens*. At a narrower level, it means the *law and order and justice system*. Governance is distinct from government, and is *the process through which various stakeholders articulate their interests, exercise their rights, and mediate their differences*.

From *Agenda for Good Governance* ed. Bibek Debroy

It may be seen from the above definitions of governance that there are some elements that are common across all / most definitions and these can be broadly organized under the following two categories:

a. *Exercise of power and authority*

- process and institutions by which *authority in a country is exercised*, how governments are selected, held accountable, monitored, and replaced;
- 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*
- *the space where the state as well as economic and social actors interact to make decisions.*
- 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

b. *Government's ability and capacity to effectively fulfil its mandate*

- *the state's ability to serve the citizens*
- *capacity of governments to manage resources efficiently and to formulate, implement, and enforce sound policies and regulations;*
- *government / state's ability to serve the citizens by providing speedy justice, education, health care and sanitation, social and physical infrastructure, law and order, and so on.*

The first set deals with how power and authority are exercised by different sections within the society. This dimension is inclusive in the sense that it is about governance in society at large; it is the space various stakeholders viz. the state, citizens, civil society and the private sector give each other in managing their affairs and interests. In this sense, all of them not only have a stake in governance but they are also responsible for the state of governance because governance is as much about enforcement and regulation as voluntary compliance with law. This definition emphasizes on processes, rules and institutions that guide different groups in the society in articulating and mediating their interests. When one of the players exerts more authority at the expense of the others, it adversely affects the governance. The cases of the executive exercising authoritarian power and consequential effects on the governance are too well known to need elaboration. Similarly, the private enterprises wielding undue influence over the government policies could be equally damaging to the larger public interest.

The second aspect of governance emphasizes the government's ability to deliver services within its purview. It is about the capacity of the State and its various organs and

instrumentalities in managing financial, human and natural resources in order that they provide effective services to the citizens.

Thus there are two basic aspects of governance that are clearly understood and acknowledged by different definitions and models and this must be duly recognized while developing the indicator framework. The efforts could, therefore, be directed towards better understanding of institutional linkages between different actors on the one hand and enhancing policy implementation on the other. Most governance models, particularly those promoted by donor agencies, do not address the second issue adequately. The governance framework proposed in this report seeks to redress this imbalance by according more emphasis on the state's ability to serve the citizens, particularly those who are economically and socially disadvantaged.

2.3 Governance and Development

There is a general agreement that the quality of governance matters for development outcomes. While few deny the significance of governance variable, it is not clear as to how and when governance makes a difference to the country's development.

What is the relationship between quality of governance and growth? According to Kaufmann and Kraay, while better governance tends clearly to promote economic growth, growth *per se* does not tend to promote better governance (Christine Arndt and Charles Oman, 2006). There are some who argue that strong long term growth could be result of powerful vested interest groups building up at the expense of governance. As a matter of fact, countries with poor governance (rule of law, participation, etc.) such as China and dictatorships of south-east Asia had achieved spectacular economic growth in 1970s and 1980s. Based on the experiences such as above, some have argued that democratic governance often inhibits growth as it diverts resources from investment to consumption. There are others who cite examples of India and the US, both well-functioning democracies, to point out that democracy is more conducive to long term growth.

The connection between governance and poverty reduction is, however, somewhat tenuous. On the one hand, there is empirical evidence to suggest that weak governance reinforces poverty. On the other hand, the link between governance and poverty reduction is accorded a priori status i.e. it is simply assumed to be true. In the absence of conclusive studies, we might have to assume that the link exists sometimes and at times it does not. It may turn out to be the case that good governance is sometimes correlated with, but is not necessary condition for, poverty reduction. (Suchitra Punyaratabandhu, 2004)

It appears that positive developmental outcomes depend upon many factors one of which is good governance, which also may not always be directly correlated. At the same time, one must recognize that some aspects of governance impact development more than others. For example, poor capacity of the government (in terms of number and competency of personnel) can considerably slow down development as has been seen in some States.

Similarly, corruption is known to have enormous adverse impact on development. Besides hampering growth, corruption has also been shown to increase income inequality and poverty because it results in poor targeting of social programmes, unequal access to education, reduced social spending, and higher investment risks for the poor. In a recent study, Kaufmann *et al* (1999) show that corruption is associated with an increase in infant mortality and a reduction in life expectancy and literacy. Similarly, the UNDP's Human Poverty Index (HPI) is negatively related to indices of governance and corruption, even after controlling for GDP per capita. Li *et al* examine the effects of corruption on income inequality, as measured by the Gini coefficient. An increase of one standard-deviation in corruption raises the Gini by roughly five points.

The problem seems to be that there are very few studies which have actually attempted to explore the various channels through which governance impacts development outcomes. While subjective indices demonstrate a causal link with development outcomes, the knowledge of underlying mechanisms remains weak. For instance, indicators such as rule of law, corruption, and political instability are correlated with health, nutritional and educational outcomes but there is little insight on how such outcomes are generated. It is very likely that such correlation between governance indicators and development outcomes operates through higher per capita incomes. It appears that our current knowledge has not gone much farther than simple associations and correlation. All we know is that countries with better governance also happen to be those with better social indicators. (Adeel Malik)

2.4 Governance and Democracy

There are several variables to measure socio-political instability viz. political assassinations, riots, revolutions, coups, demonstrations, etc. The studies using these variables show that socio-political instability is harmful for growth and investment. They point out that democracy promotes long-term economic growth and delivers better distributional outcomes. Although the evidence suggests that democracy influences growth through a variety of indirect channels, whether democracy promotes or hinders economic growth seem to depend partly on the level of income.

Democracy is associated with broad development gains. It is a human right and an essential ingredient for achieving better human development outcomes. Development is freedom, as Amartya Sen proclaims and participatory political systems are an excellent means to enlarging human choices. This is more or less a part of conventional development wisdom now. Yet, we are still far away from producing enough supportive evidence to this effect. Some are available, yet lot more evidence needs to be discovered, with clearly defined linkages. Evidence from the 1,500 World Bank-financed projects suggests that civil liberties an important component of the democracy variable and citizen participation were found as important factors for project success (Adeel Malik). Successful democratization

tends to enhance the quality of governance, because there is a definite overlap between democracy and governance. (WGS Discussion Paper 10)

It should, however, not be taken for granted that all aspects of 'governance' are positive in the democracies. It is seen sometimes that some democracies may be found

- provide for just and humane conditions of work;
- provide for free and compulsory education for children;
- promote the educational and economic interests of the weaker sections;
- improve public health; and
- protect the environment.

The fundamental rights enshrined in the Constitution have a direct bearing on the roles and responsibilities of the State. These include:

- Right to Life – Article 21 (wide interpretation)
- Principle of Equality (Articles 14, 15 and 16)
- Gender equality (Air India v. Nargesh Meerza 1981)
- Right against State Arbitrariness (Articles 14 and 22)
- Right against Exploitation (Articles 17, 23 and 24; Visakha v State of Rajasthan, 1997)
- Fundamental Freedom (Article 19)
- Right to Education (Article 21A)
- Right to corruption-free governance (implied right guaranteed under Articles 14 and 21)

Last but not the least, the 73rd and 74th Amendments to the Constitution mandate the institutionalization of a third tier of government (both rural and urban) and specify the modalities for decentralised governance.

Keeping with the trends the world over, there has been a renewed emphasis on improving the quality of governance in the country. For the first time, the Government of India outlined a governance approach to development in the National Human Development Report 2001. Governance, in this approach, is viewed as involving a continuous interplay of three elements, each representing a specific set of deliberate arrangements that include:

- Institutions – adopted or created arrangements, both formal and informal, to bring about predictability, stability and efficiency in managing the social, economic or political transactions in any society;
- The Delivery Mechanism – including the executive apparatus adopted or evolved by the institutions for implementing the agenda and the objectives for which the said institutions have been created; and
- The Supportive and Subordinate Framework of Legislations, Rules, and Procedures - formulated for delivering and meeting the stated responsibilities of the concerned institutions.

The approach also acknowledges the role of civil society and the market in governance as being critical for sustaining human development. While the State is responsible for creating conducive political, legal and economic environment for building individual capabilities and encouraging private initiative, the market is expected to create economic opportunities

for people and the civil society is expected to facilitate the mobilisation of public opinion and peoples' participation in economic, social and political activities.

A *Model Code of Governance* drafted by a Committee of Chief Secretaries provides the principles of good governance and seeks to set benchmarks for the States to evaluate their own status on various specific points such as:

- Improving service delivery;
- Developing programs for weaker sections and backward areas;
- Technology and system improvement;
- Financial management and budget sanctity;
- Accountability and transparency;
- Public service morale & anti-corruption measures; and
- Incentivising reforms.

The Government has also examined major proposals and recommendations on various aspects of administrative reforms of four earlier Committees viz. Alagh Committee on Recruitment and Selection Procedures (2001), Yugandhar Committee on In-Service Training (2003), Surinder Nath Committee on Performance Appraisal, Promotion, Empanelment, and Placement for the All India Services (2003) and Hota Committee on Civil Service Reforms (2004).

Simultaneously, the Government of India has undertaken a host of governance reform initiatives cutting across different Ministries and Departments which include:

- Simplification of procedures and processes;
- e-Governance and use of ICT tools;
- Business climate related reforms;
- Reforms in Police Administration;
- Judicial Reforms aimed at streamlining court processes;
- Initiatives for effective delivery of basic services and schemes; and
- Anti-corruption initiatives.

CHAPTER 3 - FRAMEWORK FOR ASSESSING STATE OF GOVERNANCE

3.1 Fundamental Aspects underlying the Assessment Framework

While it is easy to understand governance at a conceptual level as either being the manner in which the power is exercised and / or as the state's ability to provide basic services, the difficult part is to break it down into its elements that are measurable. Is governance a set of values or principles? Or is it a sum of policies, processes and institutions? Or is it the rules, laws, etc. that guide the society? Does it lie in the perception of the people or is it some objectively verifiable phenomenon? Is a positive outcome necessarily an indication of good governance? Is governance valued as an end in itself or is it a means to an end?

It is seen that the similarities in definitional aspects do not easily lend themselves to either understanding what constitutes governance or its measurement. This is evident in the different approaches adopted for deconstructing and measuring governance by various agencies including multilateral organisations. The approaches adopted by various agencies differ markedly from each other – while some are normative in nature, others are positivistic. Further, measuring issues of governance poses challenges that are not encountered in the economic and social development fields. Perhaps because it is a broad and complicated concept, there exists no regular, systematic and cohesive data collection effort centred on the concept of governance.¹

Keeping the above in mind, it was necessary to evolve a framework that is firmly rooted in the Indian context and subscribes to the basic tenets of the Indian Constitution. Simultaneously, it would also draw upon the global discourse on governance and adapt the lessons from it to suit the Indian context. The suggested framework attempts to draw from the basic aspects of the governance discourse in the global arena as well as in India. There are five fundamental aspects that underpin the suggested 'governance assessment framework' and these pertain to the following:

1. Good Governance - You can measure the former (good) if you understand the latter (governance)

'Governance' by itself is a neutral term while 'Good Governance' implies positive attributes and values associated with the quality of governance. Most measurement frameworks tend to measure how good the quality of governance is without actually deconstructing governance into its various elements. Hence, most frameworks apply generic *principles* in assessing quality of governance while the *content* of governance remains largely unexamined.

¹ *Assessing Governance: Methodological Challenges - World Governance Survey Discussion Paper 2 (August 2002) - United Nations University*

The fundamental limitation of such an approach is that it does not lead to actionable diagnostics that can be identified and related to specific country institutions. For example, how does 'government effectiveness' relate to the administrative, economic and social spheres of governance? Or can observations on 'regulatory quality' be linked to legal, economic and administrative institutions?

The suggested framework is different from the other approaches as it:

- a. Deconstructs governance into its different elements and components
- b. Applies generic governance principles to the various components

Hence, each principle (such as effectiveness, participation, accountability etc.) can therefore be related to the functioning of the legislature, judiciary, bureaucracy or other institutions.

2. (Good/Ideal) Governance should be characterised by core principles

The quality of governance has been the focus of governments and multi-lateral / donor agencies across the world. This has led to many of them defining qualitative standards of governance in the form of characteristics or principles that 'governance' ought to reflect for it to be good or ideal. Some of the basic governance principles or attributes include the following:

- Accountability – both horizontal and vertical
- Transparency
- Equity
- Performance (effectiveness and efficiency)
- Participation / voice
- Rule of Law
- Strategic vision
- Lack of arbitrariness
- Ethics and integrity
- Predictability

The suggested framework attempts to relate governance indicators to one or more of these principles.

3. Governance involves many different stakeholders

The concept of governance has evolved to encompass many different stakeholders in its fold. Typically, it has categorised stakeholders into three broad categories – State, Market and Civil Society. While acknowledging this concept, it is also necessary to identify the important stakeholders within each broad category.

- i. The State includes the different organs of the government (Legislature, Judiciary and Executive) and their instrumentalities, independent accountability mechanisms etc. – and consists of different segments of actors (elected representatives, political executive, bureaucracy/civil servants at different levels etc.)

- ii. The Market includes the private sector – organised as well as unorganised – that includes business firms ranging from large corporate houses to small scale industries/ establishments.
- iii. The Civil Society is the most diverse and typically includes all groups not included in (a) or (b). It includes NGOs/CSOs, media organisations/ associations, trade unions, religious groups, etc.

The suggested framework attempts to bring into its fold different stakeholders in the governance process. At the same time, it also recognises that the State as the Constitutional authority for exercising power on behalf of the citizens has a primary role to play in the governance process. The framework also recognises that citizens 'in their own right' must have a say in the governance process.

4. Governance is about processes rather than outcomes

Governance largely relates to the processes through which power is exercised – outcomes, better or worse, are usually the result of how the processes are managed. In other words, governance refers to the means through which either public policy is formulated and implemented or through which different stakeholders articulate and mediate their differences. However, in order to provide effective tools for policy formulation, and programme monitoring and evaluation, as well as lobbying and advocacy, governance indicators need to distinguish between inputs, processes, outputs, outcomes and impacts. Process indicators refer to the quality of governance in terms of how the outcomes are achieved. The challenge is how to measure governance processes cohesively and systematically in terms of critical processes. (Julius Court, Goran Hyden and Ken Mease, 2002) The framework is, therefore, tuned towards capturing the initial parameters and intermediate processes rather than development outcomes.

5. Governance measurement must be relevant to realities at sub-national levels

The suggested framework is firmly rooted in the realities of governance across States today. It recognises that while the macro concepts of the global discourse on governance have intrinsic value, it is ultimately the inclusion of specific aspects of governance at the sub-national level in India that will lend strength and relevance (and perhaps ownership) to the framework.

It is a fact that governance related reforms is not unknown to most States. The Government of India has often sought to guide and assist the States to undertake key reforms. Similarly, multi-lateral and bilateral agencies working in different States have also promoted governance reforms. Many States have initiated governance reform measures on their own.

The proposed framework seeks to not only enable assessment of the quality of governance in a particular State, but it would also hopefully encourage States to initiate specific reform measures that improve governance.

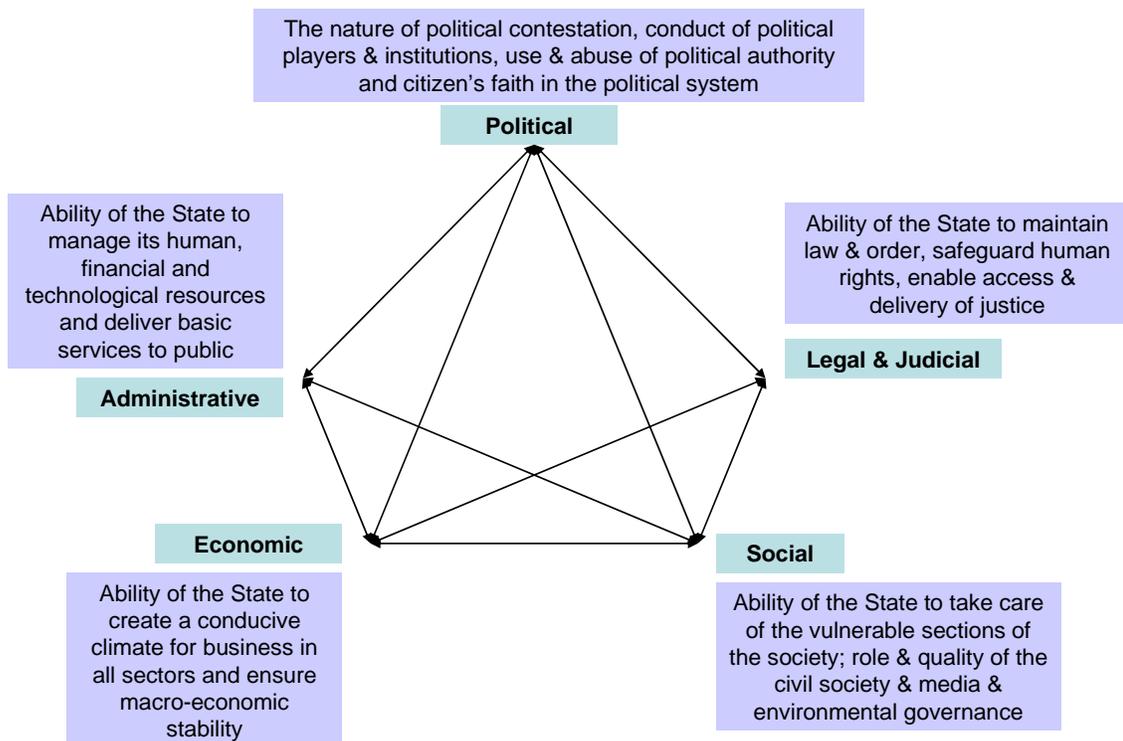
3.2 Conceptual Construct of the Governance Framework

- a. Governance has many facets. It is not a single event or an act. There are multiple players and multitude of interactions among them which determine the quality of governance. In order to assess governance, it has been first deconstructed into five broad **dimensions**.
- b. Each dimension is further broken down into **components** which are basically a group of interrelated aspects which together makeup the dimension.
- c. Component is the basic unit of governance that is sought to be assessed or measured. Accordingly, each component has related governance **indicators** that provide the measure. Underlying every indicator is a key principle of governance.

3.3 Governance Dimensions

Governance has been broken down into five dimensions viz. political, legal and judicial, administrative, economic and social & environmental dimensions, which are further explained below.

Figure 3.1 – Governance Dimensions



3.4 Political Dimension of Governance and its key components

The political dimension is the most essential aspect of governance. Without this dimension, other dimensions would be meaningless because it is the political process that brings in the

key governance values of participation, accountability and transparency. As the formal political arrangements such as eligibility to vote, political parties, legislatures, etc. often coexist with informal levers to control state power, it is important to go beyond these arrangements; one way of doing this is to get a feel of the people's trust in these processes and institutions. This dimension accordingly looks at the quality of political contestation, conduct of individuals and institutions representing the people, use and abuse of political authority, decentralization of powers and citizen's faith in the political system both from a set of secondary data as also from the subjective perception of different sections of society. This dimension has been broken down into four components:

- a. **Exercise of franchise:** This is the doorway to democratic governance which establishes legitimacy and accountability of the government by enabling participation by the citizens. It provides opportunity to the people to voice their concerns and issues and hold the rulers accountable. To be meaningful, this process should be widely participative, transparent, fair and healthily competitive.
- b. **Profile and Conduct of Political Representatives, Political Parties and the Political Executive:** While the process of electoral democracy provides an enabling environment to the practice of democratic governance, it is the quality (evident in terms of conduct, attitudes and values) of the people's representatives, which determines effectiveness of accountability and participation in practice. As political representatives generally belong to political parties, by extension the conduct of political parties in a competitive democratic environment becomes an equally important aspect of the state of governance. Another key aspect of political governance pertains to the quality of functioning of the political executive that has the duty of steering the government. The functioning of the Council of Ministers affects the nature of governance, both directly and indirectly.
- c. **Functioning of Legislature:** The role of the legislature is critical to the way governance takes shape in any particular State. The time spent on discussing appropriation grants and legislation is a clear indicator, for instance, of effectiveness of legislature.
- d. **Political Decentralisation:** Last but not the least is the quality of decentralized governance that has taken shape in the State. This not only reflects the willingness of the State to comply with constitutional imperatives, but also is an important indicator of empowerment at the grassroots level.

3.5 Legal & Judicial Dimension of Governance and its key components

The state is vested with coercive power to maintain law and order. It is one of its sovereign functions. Yet, this power is limited by citizens' rights and freedoms. Ideally, the State should exercise its right to use force in an effective and judicious manner without overriding the fundamental rights of the citizens. Another important responsibility of the state is to ensure that everybody has access to speedy justice. Both of the above have a vital implication for economic activity. When the general law and order is seen to be poor,

investors, businesses, etc. stay away from the State, thus affecting its ability to provide employment opportunities to its people. Poor performance in ensuring security, protecting rights and providing speedy justice would give rise to parallel power centres, which undercut the government. This dimension seeks to measure whether the state's exercise of power is within its boundaries as also its ability to effectively maintain law and order, safeguard human rights and enable access to & delivery of justice. This dimension has been broken down into four basic components.

- a. **Law & Order and Internal Security:** This pertains to the basic function of the state – its *raison d'être* – to ensure that law and order prevails and citizens live in an environment wherein their lives and property are generally safe and secure.
- b. **Safeguarding of basic rights:** This aspect relates to the ability of the state to protect the basic rights of the citizen, particularly those of poor, women and weaker sections.
- c. **Police Administration and Citizen-friendliness of the Police:** The police force is an important instrumentality of the state. Its role is to protect the innocent and punish the guilty. This is indeed the cutting edge of the governance as an inept or / and corrupt police force would fail governance as nothing else does. Effective police functioning is influenced by different internal factors. This component takes a closer look at those factors that reflect the quality of police administration viz. size of police force, functions assigned, training & skill development, efficiency in operations, etc.
- d. **Access to Justice and Judicial Accountability:** Lastly, under this dimension, a significant indicator of the quality of governance relates to the access to and delivery of justice which is reflected in its capacity to provide timely justice, judicial efficiency, judicial accountability and citizen perception.

3.6 Administrative Dimension of Governance and its key components

The citizens, particularly the poor and disadvantaged among them, depend on the government for a host of services viz. primary healthcare, education, water and sanitation, basic infrastructure, etc. The administrative dimension is a critical aspect of governance because it determines the ability of government to deliver basic services to citizens by efficiently managing the human and financial resources. The administrative dimension also includes performance of the State on vigilance and anti-corruption matters as well as responsiveness and transparency in administration. This dimension has been broken down into four components:

- a. **Citizen Interface and Engagement:** This component indicates the citizen-centricity of government agencies in their day-to-day functioning viz. accessibility, responsiveness, quality of grievance redressal /complaint handling, compliance with RTI Act provisions, etc.
- b. **Managing Human, Financial and other resources:** This aspect looks at how human resources in government are managed with particular focus on the profile of the staffing, recruitment process, transparency in transfers and postings, training and skill

building, motivation levels among employees, performance appraisal, etc. A key aspect of governance is effective financial management. This aspect examines the quality of financial management in terms of expenditure patterns, liabilities, outstanding loans and compliance to basic financial accountability systems like audit etc. It also assesses use of IT in governance.

- c. **Basic Service Delivery:** The cutting edge of administrative governance is the timely delivery and the quality of basic services such as primary healthcare services, primary schooling, drinking water, sanitation facilities, public distribution system, electricity, roads and transportation. For the majority of population, this reflects governance – good or otherwise.
- d. **Corruption Perception, Vigilance & Enforcement:** Lastly, this dimension also examines corruption (in terms of citizen perception) and vigilance mechanisms and the willingness of the State to punish the defaulters, particularly those at the higher echelons of administration.

3.7 Economic Dimension of Governance and its key components

The economic dimension pertains to the ability of the state to ensure macro-economic stability and create conducive climate for economic activity to take place across different sectors of the economy. Governance is also reflected in the state's ability to provide support to the primary sector (agriculture & allied activities). This dimension has been broken down into three components:

- a. **Fiscal Governance:** This aspect of economic governance relates to how the State has managed its finances over the short to medium term. This is examined both in terms of revenue mobilization indicators as well as indicators pertaining to expenditure management.
- b. **Business Environment:** This component pertains to those aspects of economic governance which affect the way businesses operate within the State and includes general investment climate, legal aspects, procedural issues, infrastructure and manpower, regulatory systems, etc.
- c. **Support to the Primary Sector:** As the primary sector is the backbone of the economy with very high dependence on it among poorer sections of the population, the quality of governance is also reflected in the State of the primary sector and how the State provides various services to support this sector through extension, input supply and marketing linkages.

3.8 Social Dimension of Governance and its key components

The social dimension pertains to the ability of the state to take care of the vulnerable sections of the society. At the same time, given the importance of the civil society and media in the governance process, this dimension also seeks to assess governance by

examining the role and quality of the civil society and media. Environmental management as a separate component is also included due to its increasing importance in governance. This dimension has been broken down into three basic components:

- a. **Welfare of the Poor and Vulnerable:** The changing emphasis of governance (both in expression and action) towards the welfare of the poor and the marginalized is well recognized. The test of governance in that sense lies in the state of the poor and the vulnerable segments such as the poor, women, children, minorities, etc.
- b. **Role of Civil Society and Media:** It is not only important for the civil society to play a watchdog role in governance, but also important for it to be a responsible actor. Hence this facet of governance pertains to two basic aspects (a) the space and the role that civil society gets to occupy in the governance process and (b) the quality and capacity of the civil society organizations to take up the role that they are expected of them. The mass media, both print and audio-visual, wields a lot of influence in shaping public opinion. More than civil society organizations, it is important for the media to be a responsible actor in the governance process while enacting its traditional role as an instrument of social change and empowerment. Like civil society, this part of governance also relates to (a) the space and the role that the media occupies in the governance process and (b) the quality and ability of the media to be the voice of the people and play the role of an independent, unbiased agency.
- c. **Environmental Management:** Lastly, this component seeks to examine governance from the perspective of the state as the custodian of natural resources and its ability to regulate and manage natural resources for sustainable development.

Table 3.1 - Conceptual Construct of Framework – Dimensions and Components

Dimensions					
	Political	Legal / Judicial	Administrative	Economic	Social/ Environmental
Components	1.Exercise of Franchise	1. Law & Order and Internal Security	1.Citizen Interface and Engagement	1.Fiscal Governance	1.Welfare of the Poor & Vulnerable sections
	2.Profile & Conduct of Political Representatives Parties and Political Executive	2.Safeguarding of Basic Rights	2. Managing Human, Financial and other Resources	2.Business Environment	2.Role of Civil Society and Media
	3.Functioning of the Legislature	3.Police Administration Citizen-friendliness of the Police	3.Basic Service Delivery	3.Support to the Primary Sector	3.Environmental Management
	4.Political Decentralisation	4.Access to Justice & Judicial Accountability	4.Corruption Perception, Vigilance & Enforcement		

3.9 Indicator Framework

A governance indicator is a measure that points out something about the state of governance in a country. Governance indicators are usually narrowed down to measure more specific areas of governance such as electoral systems, corruption, human rights, public service delivery, civil society, and gender equality.

It is useful to remember that governance is essentially a qualitative phenomenon, the quantification of which would always be subject to considerable empirical limitations. Researches have so far attempted to use proxy indicators for measuring governance, a concept that purports to capture several complex and multi-faceted dimensions (Adeel Malik).

There can be at least five different ways to judge the efficacy of governance indicators:

- *Relation with particular institutions:* This concerns the manner in which indicators implicate particular institutions. These indicators can help identify the institutional channel through which government performance is affected.

- *Relation with outcomes*: This refers to the degree of specificity with which indicators relate to the outcomes of good governance (such as poverty reduction).
- *Replicability and transparency*: This relates to the ease with which indicators can be replicated and their methodology and implementation accessed.
- *Quality and accuracy of indicators*: This corresponds to indicators that measure more accurately the underlying concept and use high quality data.
- *Data coverage*: this relates to coverage of the indicators over time and across countries. (Source: Knack and Manning).

As explained in the earlier section, under each component indicators have been identified that would provide a measure of governance. These indicators, while pertaining to some aspect of governance, also underlie a basic principle of good governance.

3.10 Types of Indicators

The indicator framework consists of two types of indicators:

- a. *Qualitative indicators* which provide a measure through people's opinions and perceptions.
- b. *Quantitative indicators* which are based on numerical or statistical facts that are used to make sense of, monitor, or evaluate some phenomenon.

The data sources for the indicators are quite varied. They consist of the following:

- **Primary sources** which include surveys among citizens, employees, business firms, civil society and media.
- **Secondary sources** such as official reports, government documents etc.

3.11 Factors determining choice of indicators

The primary factors that determined the choice of indicators under the different governance components pertained to the following.

- a. *Impact, Outcome, Output, Process and Input variables*: The framework seeks to differentiate between the different types of variables. Governance is seen primarily as a 'process' and 'action' rather than as an output or outcome. For example, governance in (service delivery in) education or health relates to their accessibility to the poor, the accountability of the teachers / doctors to the citizens/users and so on. Hence, the choice of indicators primarily focuses on process variables and, to a limited extent, on outputs.
- b. *Development versus Governance*: Better quality of governance leads to better development outcomes. However, better development outcomes cannot always be a surrogate measure of good governance. This is because of two reasons –

- (a) development outcomes are the result of a host of factors, one of which may pertain to quality of governance and (b) development outcomes are usually long-term results and its linkages with governance may not be of immediate nature. For example, a certain literacy rate or infant mortality rate is an outcome that is not only influenced by factors outside the ambit of governance but it is also a result of accumulated actions of the past; whereas, whether the teacher in the primary school is regularly available is an indicator of quality of governance. Using development outcomes as surrogate measures for quality of governance would, therefore, make it difficult to isolate the governance factors that influence development and, in turn, affect the actionability of the findings. However, in some cases, the framework has adopted development outcomes as surrogate measures keeping in view their importance.
- c. *Result-oriented Indicators*: The choice of indicators is also influenced by how the findings from each can lead to desirable action on behalf of particular stakeholders. In that sense, the indicators are appropriately specific rather than being ambiguous or generic. Each indicator is contextualized within a particular governance dimension & component as well as relating to particular stakeholder(s).
- d. *Pertaining to Governance Principles*: Each governance indicator characterizes one or more basic governance principle mentioned earlier in the report (accountability, transparency, equity etc.). However, as explained, instead of adopting generic measures which other governance models often resort to (voice & accountability, government effectiveness etc.), this framework locates the governance principles within governance dimensions and components, thereby making it specific and actionable.
- e. *Judicious mix of subjective (primary data) and objective (secondary data) indicators*: A survey of governance assessments shows that the governance data is either based on some objective source such as the records of some office or on subjective perceptions of some persons. The perceptions could be gathered from a small number of country, sector and regional experts to generate ratings (as done by Economist Intelligence Unit, Freedom House, etc.) or public surveys of citizens and other stakeholders or survey involving Well Informed Persons (as was done by UNU in World Governance Survey).

Ideally both objective and subjective indicators should complement each other. To bank upon either one type of data would place severe constraints on examining all facets of governance. For example, the number of police stations in the state may not reflect on the law and order situation, which could be best captured by people's perception. At the same time, quality of public financial management can be aptly measured through secondary sources rather than through people's survey. A framework based entirely on secondary data parameters without addressing the demand side factors affecting governance would likely end up as a 'numbers game'. On the other hand, an assessment based entirely on subjective perceptions could have serious limitations particularly on tackling supply side governance constraints. Thus, the indicator

framework recommends a combination of objective data from secondary sources and subjective data from people’s survey.

At the same time, the framework does not suggest or advocate use of expert group assessments for governance measurements (as used by the WGI) not only because they have minimum statistical relevance, but they could also be highly biased. Subjective perceptions of people have value when they are scientifically collated through robust sampling methodologies.

3.12 Process of Indicator Framework Development

The indicator framework was developed through an elaborate process that included secondary research, interactions with various stakeholders and field testing. The initial set of indicators was developed in consultation with different stakeholders which included subject experts, government officials, civil society representatives, etc. This set of indicators was tested in two States. After subsequent modifications and changes based on the findings from the two States, the revised indicator framework was again field tested in one State. Based on the findings from the States and after discussions with various stakeholders, the indicator framework was finalized. *The final indicator framework is given in Chapter 4.*

Based on the findings from the field testing and based on feedback from various stakeholders, the following action was taken on the indicator framework.

Table 3.2 - Actions taken on the initial indicator framework

Governance dimension	In the Initial Framework		In the Final Framework	
	Components	Indicators	Components	Indicators
Political	5	46	4	22
Legal/ Judicial	5	53	4	24
Administrative	5	88	4	42
Economic	3	39	3	18
Social & Environmental	4	45	3	17
Total	21	271	18	123

CHAPTER 4 - INDICATOR FRAMEWORK

A total of 123 indicators have been included in the framework. This includes 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, 48 indicators pertain to secondary data and 75 indicators pertain to primary data.

Governance Dimensions					
	Political	Legal and Judicial	Administrative	Economic	Social/Environmental
C O M P O N E N T S	1. Exercise of Franchise	1. Law & Order and Internal Security	1. Citizen Interface and Engagement	1. Fiscal Governance	1. Welfare of the poor and vulnerable
	2. Profile and conduct of political representatives, political parties & political executive	2. Safeguarding of Basic Rights	2. Managing Human, Financial and other resources	2. Business Environment	2. Role of Civil Society & Media
	3. Functioning of Legislature	3. Police Administration & Citizen-friendliness	3. Basic Service Delivery	3. Support to the Primary Sector	3. Environmental Management
	4. Political Decentralisation	4. Access to Justice & Judicial Accountability	4. Corruption Perception, Vigilance & Enforcement		
	*12/10/ (22)	15/9/(24)	15/27/(42)	4/14/(18)	2/15/(17)
48/75/(123)					

Number of Secondary / Primary / (Total indicators)

Governance Dimension	Component	Types of Indicators		
		Primary	Secondary	Total
Political	1. Exercise of Franchise	3	2	5
	2. Profile and conduct of political representatives, political parties and political executive	4	3	7
	3. Functioning of Legislature	1	3	4
	4. Political Decentralisation	2	4	6
	Total	10	12	22

Political Dimension

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
1.1	Exercise of Franchise	1.	Voting percentage in assembly elections in the State	Voting percentage in assembly elections in the State	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned Less than 40% :1 (20%) 41% to 50% :2 (40%) 51% to 60% :3 (60%) 61% to 75% :4 (80%) More than 75% :5 (100%)
		2.	Exclusion from voters' list	Proportion of eligible citizens who could not exercise their franchise due to name missing in the electoral list during last assembly elections	Primary (Citizen's Survey)	Negative	To be scored on a five point scale and corresponding percentage to be assigned More than 40% :1 (20%) 31% to 40% :2 (40%) 21% to 30% :3 (60%) 11% to 20% :4 (80%) Less than 10% :5 (100%)
		3.	Use of illegal means to influence voting	Proportion of households (HH) influenced through coercive measures or inducements during the	Primary (Citizen's Survey)	Negative	Respondents provide response on a Yes-No scale Yes :1

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
				last assembly elections			No :2 Proportion of respondents who mention 'Yes' to be scored on a five point scale and corresponding percentage to be assigned More than 40% :1 (20%) 31% to 40% :2 (40%) 21% to 30% :3 (60%) 11% to 20% :4 (80%) Less than 10% :5 (100%)
		4.	Extent of poll related violence	Proportion of assembly constituencies reporting any poll related violence during last assembly elections	Secondary	Negative	To be scored on a five point scale and corresponding percentage to be assigned More than 20% :1 (20%) 16% to 20% :2 (40%) 11% to 15% :3 (60%) 6% to 10% :4 (80%) Less than 5% :5 (100%)
		5.	Faith in the democratic process	Proportion of respondents who believe that the way they vote could improve	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
				their future welfare			Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.2	Profile & Conduct of Political Representatives, Political Parties & Political Executive	6.	Criminalization of politics	% of elected representatives (MLAs) with serious criminal charges (charges having minimum conviction of two years)	Secondary	Negative	To be scored on a five point scale and corresponding percentage to be assigned More than 15% :1 (20%) 11% to 15% :2 (40%) 6% to 10% :3 (60%) 1% to 5% :4 (80%) 0% :5 (100%)
		7.	Women Empowerment	% of women elected representatives in the State legislature	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned 15% or less :1 (20%) 16% to 20% :2 (40%)

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
							21% to 25% :3 (60%) 26% to 33% :4 (80%) More than 33% :5 (100%)
		8.	Accessibility of elected representatives	Proportion of respondents who felt that their MLA is easily accessible to the general public	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		9.	Perception about corruption among legislators	Proportion of respondents who feel corruption among legislators in the State is high	Primary (Citizen's Survey)	Negative	Respondents provide response on a five point scale Extremely high :5 High :4 Neither high nor low :3 Low :2

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
							Extremely low :1 Final score to be used would be the 100% minus proportion of respondents who rate '4' or '5' (high or extremely high)
		10.	Concern about welfare of people among political parties	Proportion of respondents who feel that political parties in the State are concerned about the welfare of people, especially the poor	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Not agree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (Effective or Very Effective)
		11.	Political Stability	Was there any mid-term election in the last five years?	Secondary	Negative	Yes :1 (0%) No :2 (100%)
		12.	Quality of Top Leadership and Political Executive	Proportion of respondents who feel that the leadership provided by	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
				the Chief Minister and the council of ministers is effective			Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.3	Functioning of Legislature	13.	Functioning of the State Assembly – Time devoted to legislative matters	% of time devoted to Legislative matters by the State Assembly	Secondary	Negative	To be scored on a five point scale and corresponding percentage to be assigned 30% or less :1 (20%) 31% to 40% :2 (40%) 41% to 50% :3 (60%) 51% to 60% :4 (80%) More than 60% :5 (100%)
		14.	Proportion of bills passed without any discussion in last 5 years	No. of bills passed without any discussion out of total no. of bills passed in the last 5 years	Secondary	Negative	To be scored on a five point scale and corresponding percentage to be assigned More than 40% :1 (20%) 31% to 40% :2 (40%)

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
							21% to 30% :3 (60%) 11% to 20% :4 (80%) 10% or less :5 (100%)
		15.	Functioning of the Legislature – Citizen Perception	Proportion of respondents who rate the functioning of the State legislature as good or very good	Primary (Citizen’s Survey)	Positive	Respondents provide response on a five point scale Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1 Final score to be used would be the proportion of respondents who rate ‘4’ or ‘5’ (agree or strongly agree)
		16.	Review of audit reports by Public Accounts Committee	Out of the last 5 CAG reports, how many have been examined by the Public Accounts Committee?	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Only one report :1 (20%) 2 reports :2 (40%) 3 reports :3 (60%) 4 reports :4 (80%) 5 reports :5

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
							(100%)
1.4	Political Decentralisation	17.	Voter turnout in local elections (Municipal & Panchayat)	Voter turnout in the last local elections (Municipal & Panchayat)	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned Less than 40% :1 (20%) 41% to 50% :2 (40%) 51% to 60% :3 (60%) 61% to 75% :4 (80%) More than 75% :5 (100%)
		18.	Devolution of Functions to PRIs & ULBs	Proportion of functions transferred out of the mandated 29 functions to PRIs and out of the mandated 18 functions to ULBs (along with activity mapping)	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned To PRIs 10 or less :1 (20%) 11 to 15 :2 (40%) 16 to 20 :3 (60%) 21 to 25 :4 (80%) More than 25 :5 (100%) To ULBs Less than 4 :1 (20%) 5 to 8 :2 (40%) 9 to 12 :3 (60%) 13 to 15 :4 (80%)

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
							More than 15 :5 (100%) Take the simple average of both (PRIs and ULBs) as the resultant score
		19.	Devolution of Finances to PRIs	Percentage of 'untied' funds devolved to PRIs	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned Less than 20% :1 (20%) 21% to 40% :2 (40%) 41% to 60% :3 (60%) 61% to 80% :4 (80%) More than 80% :5 (100%)
		20.	Financial strength of ULBs	Own revenue (Tax+ non-tax) revenue as a proportion of total revenue for ULBs	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned 30% or less :1 (20%) 31% to 40% :2 (40%) 41% to 50% :3 (60%) 51% to 65% :4 (80%) More than 65% :5 (100%)
		21.	Quality of	Proportion of respondents	Primary	Positive	Respondents provide

SI No	Component	SI No	Indicators	Description	Type of Data and Source	Likely effect on quality of governance	Measurement
			Functioning of Gram Panchayat / Block Panchayat / ULBs	<p>who say that the functioning of Gram Panchayat / Block Panchayat is good or very good (rural)</p> <p>Proportion of respondents who say that the functioning of the municipality is good or very good (urban)</p>	(Citizen's Survey)		<p>response on a five point scale</p> <p>Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		22.	Quality of Functioning of Gram Sabha	<p>Proportion of respondents (rural) who say that the functioning of Gram Sabha is good or very good</p> <p>Proportion of respondents (urban) who say that the functioning of Ward Sabha is good or very good</p>	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>

**Legal and Judicial Dimension of Governance
Mapping into Component, Sub Components and Indicators**

Governance Dimension	Components	Types of Indicators		
		Primary	Secondary	Total
Legal & Judicial	1. Law & Order and Internal Security	2	2	4
	2. Safeguarding of Basic Rights	1	3	4
	3. Police Administration and Citizen-friendliness of the Police	4	5	9
	4. Access to Justice & Judicial Accountability	2	5	7
	Total	9	15	24

Legal & Judicial Dimension

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
1.1	Law & Order and Internal Security	1.	Serious crimes committed in State in last three years	Proportion of serious crimes in State out of total number of serious crimes in country in last year (normalised by population)	Secondary	Negative	Normalised scores (by population) to be converted to a score on a five point scale and corresponding percentage to be assigned More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%) 0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)
		2.	Persons killed in incidents of organised violence against the State such as naxal violence, insurgency, terrorism etc.	Proportion of persons killed in incidents of organised violence in State out of total number killed in country in the previous year (normalised by population)	Secondary	Negative	Normalised scores (by population) to be converted to a score on a five point scale and corresponding percentage to be assigned More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%) 0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)
		3.	Police effectiveness in	Proportion of respondents who believe	Primary (Citizen's)	Positive	Respondents provide response on a five point scale

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			enforcing law & order	the police is effective in enforcing law & order	Survey)		Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		4.	Effectiveness of the State in handling grave security threats	Proportion of respondents who feel that the State Government is adequately prepared to prevent / handle grave security threats like extremism / militancy / naxalite violence.	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
1.2	Safeguarding of Basic Rights	5.	Security of Life & Property	% of respondents who believe that their life and property are generally secure (across different segments)	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		6.	Human rights violations including custodial rapes and deaths in last three years	Proportion of human rights violations in State out of total number of human rights violations in country in last year (normalised by population)	Secondary	Negative	<p>Normalised scores (by population) to be converted to a score on a five point scale and corresponding percentage to be assigned</p> <p>More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%) 0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)</p>
		7.	Atrocities (crimes) against women	Proportion of crimes against women &	Secondary	Negative	<p>Normalised scores (by population) to be converted to a</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			and children	children in State out of total number of crimes against women & children in country in last year (normalised by population)			score on a five point scale and corresponding percentage to be assigned More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%) 0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)
		8.	Atrocities (crimes) against SC/STs	Proportion of crimes against SCs/STs in State out of total no. of crimes against SCs/STs in country in last year (normalised by population)	Secondary	Negative	Normalised scores (by population) to be converted to a score on a five point scale and corresponding percentage to be assigned More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%) 0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)
1.3	Police Administration & citizen-friendliness	9.	Police personnel to population ratio	No. of police personnel per 1,00,000 population (compared to prescribed norms)	Secondary	Positive	Normalised scores (to prescribed norms) to be converted to a score on a five point scale and corresponding percentage to be assigned Less than 0.60 :1 (20%)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							0.60 to 0.79 :2 (40%) 0.80 to 0.89 :3 (60%) 0.90 to 0.99 :4 (80%) 1 or more :5 (100%)
		10.	Police deployment in core functions	Proportion of time (man days) spent by police force on core functions out of total available (man days) in last one month	Secondary	Positive	Based on a sample survey of police stations and police personnel (can also be collected through duty roster) Convert into percentage before recording in scale below Less than 0.50 :1 (20%) 0.51 to 0.60 :2 (40%) 0.61 to 0.70 :3 (60%) 0.71 to 0.80 :4 (80%) More than 0.80 :5 (100%)
		11.	Transparency in police transfers, postings & promotions	Police Establishment Board (PEB) constituted and functional	Secondary	Positive	PEB functional: 2 (100%) PEB not functional: 1 (0%)
		12.	Political interference in police administration	Proportion of police personnel who feel that there is a high/very high degree of political interference in police administration	Primary (Employees' Survey)	Negative	Respondents provide response on a five point scale on degree of political interference Very High :5 High :4

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Manageable :3 Low :2 Very low :1 Final score to be used would be the 100% minus proportion of respondents who rate '4' or '5' (high or very high)
		13.	Timely filing of chargesheets	Proportion of chargesheets filed after stipulated time (90 days)	Secondary (Sample Survey of police stations in case information not available)	Negative	To be scored on a five point scale and corresponding percentage to be assigned Less than 20% :1 (20%) 21% to 40% :2 (40%) 41% to 60% :3 (60%) 61% to 80% :4 (80%) More than 80% :5 (100%)
		14.	Conviction rate for serious crimes	Percentage of convictions secured in cases involving serious crimes in last three years	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 11% to 20% :2 (40%) 21% to 30% :3 (60%) 31% to 40% :4 (80%) More than 40% :5 (100%)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
		15.	Police responsiveness to the needs of the citizen	Proportion of respondents who feel that the police is responsive to the needs of the citizen	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		16.	Undue harassment by Police	Proportion of respondents who feel that the police unduly harasses people who seek their help	Primary (Citizen's Survey)	Negative	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
		17.	Incidence of bribery	Proportion of respondents who mention having paid bribe to police personnel in last one year	Primary (Citizen's Survey)	Negative	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
1.4	Access to Justice & Judicial Accountability	18.	Average number of cases disposed per judge in subordinate courts	Ratio of average number of cases disposed per judge annually in subordinate courts and prescribed norm	Secondary	Positive	<p>Ratio to be scored on a five point scale and corresponding percentage to be assigned</p> <p>Less than 0.6 :1 (20%) 0.6 to 0.74 :2 (40%) 0.75 to 0.89 :3 (60%) 0.90 to 0.99 :4 (80%) 1 or more :5 (100%)</p>
		19.	Cases pending in Subordinate Courts	Proportion of cases pending in subordinate courts out of total cases pending in subordinate court in the country (normalised by population)	Secondary	Negative	<p>Normalised scores (by population) to be converted to a score on a five point scale and corresponding percentage to be assigned</p> <p>More than 1.25 :1 (20%) 1.06 to 1.25 :2 (40%) 0.95 to 1.05 :3 (60%)</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							0.8 to 0.94 :4 (80%) Less than 0.8 :5 (100%)
		20.	Cases disposed under Sec. 80 CPC	Proportion of cases disposed at the level of Government when Sec. 80 CPC notice are sent to the Department before filing a court case out of total cases filed against Government in last one year	Secondary	Positive	To be scored on a five point scale and corresponding percentage to be assigned Less than 5% :1 (20%) 6% to 10% :2 (40%) 11% to 20% :3 (60%) 21% to 30% :4 (80%) More than 30% :5 (100%)
		21.	Confidence in the judicial system	Proportion of respondents who have high / very high degree of confidence in the judicial system	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Very High :5 High :4 Average :3 Low :2 Very Low :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (high or very high)
		22.	Incidence of bribery to influence judicial	Proportion of respondents who have paid bribes in the last 3	Primary (Citizen's Survey)	Negative	Respondents provide response on a Yes-No scale

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			process	years to influence judicial process.			Yes :1 No :2 Final score to be used would be the proportion of respondents who mention 'Yes'
		23.	Complaints against subordinate judges	% of subordinate judges against whom complaints have been filed	Secondary	Negative	Average score to be recorded on a five point scale and corresponding percentage to be assigned More than 20% :1 (20%) 10% to 19% :2 (40%) 5% to 9% :3 (60%) 2% to 4% :4 (80%) Less than 2% :5 (100%)
		24.	Transparency in judiciary under RTI	Whether proactive disclosure under Section 4(1) b of the RTI Act, 2005 has been made by the High Court	Secondary	Positive	To be answered on a Yes-No scale and corresponding percentage to be assigned Yes :1 (100%) No :2 (0%)

**Administrative Dimension of Governance
Mapping into Component, Sub Components and Indicators**

Governance Dimension	Components	Types of Indicators		
		Primary	Secondary	Total
Administrative	1. Citizen Interface	4	1	5
	2. Managing Human, Financial and other resources	5	9	14
	3. Basic Service Delivery	16	1	17
	4. Corruption Perception, Vigilance & Enforcement	2	4	6
	Total	27	15	42

Administrative Dimension

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
1.1	Citizen Interface and Engagement	1.	Responsiveness to the needs of the citizens	Proportion of respondents who say that the government functionaries are responsive to the needs of the citizens	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		2.	Quality of grievance redressal /complaint handling	Proportion of respondents who say that the quality of grievance redressal (complaint handling) by government agencies is good or very good	Primary (Citizen's Survey)	Positive	<p>Respondents rate the quality of grievance redressal on a five point scale</p> <p>Very Good :5 Good :4 Average :3 Poor :2 Very Poor :1</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who rate '4' or '5' (good or very good)
		3.	Awareness of the RTI Act	Proportion of the population aware of the RTI Act	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
		4.	Disposal of requests for information under RTI Act	Proportion of RTI requests where information was provided as per provisions of the Act	Secondary (If information is not available, a sample survey of departments may be done)	Positive	<p>Score to be recorded on a five point scale and corresponding percentage to be assigned</p> <p>Less than 60% :1 (20%) 60% to 69% :2 (40%) 70% to 79% :3 (60%) 80% to 89% :4 (80%) More than 90% :5 (100%)</p>
		5.	Citizen engagement in governance	Proportion of citizens who feel they can influence policy or programmes at the national, State or local level	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.2	Managing Human, Financial and other resources	6.	Managerial profile of government	Proportion of Class I & II employees out of total number of government employees	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 10% to 19% :2 (40%) 20% to 29% :3 (60%) 30% to 39% :4 (80%) 40% or More :5 (100%)
		7.	Women in Government Service	Proportion of women in government service	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 10% to 19% :2 (40%) 20% to 25% :3 (60%)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							26% to 33% :4 (80%) More than 33% :5 (100%)
		8.	Regularity in recruitment	No. of times recruitments were done to State Civil Services in last five years by the State Public Service Commission	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Once or less :1 (20%) 2 times :2 (40%) 3 times :3 (60%) 4 times :4 (80%) 5 times or more :5 (100%)
		9.	Tenural Security	Proportion of District Collectors and SPs who have completed at least two years in one post in the last 3 years	Secondary (If info not available, a sample survey may be undertaken)	Positive	Score to be used would be the actual proportion as reported. Less than 20% :1 (20%) 20% to 39% :2 (40%) 40% to 69% :3 (60%) 70% to 89% :4 (80%) More than 90% :5 (100%)
		10.	Fairness & transparency in transfers & postings	Proportion of respondents who say that transfers / postings are usually made through a fair & transparent process	Primary (Employees Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		11.	Quality of performance appraisal process	Proportion of respondents who rate the performance appraisal system as being fair and objective	Primary (Employees' Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		12.	Motivation for performing well	Proportion of respondents who say that they are motivated for performing well on their jobs	Primary (Employees' Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		13.	Adequacy of knowledge & skills	Proportion of employees who say they are well equipped to meet the requirements / challenges of their job	Primary (Employees' Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		14.	Budget utilisation for social and economic services	Unspent grant (Budget – Actual) as proportion of total budget on social & economic	Secondary	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
				services			More than 10% :1 (20%) 8% to 10% :2 (40%) 5% to 7% :3 (60%) 3% to 4% :4 (80%) 2% or Less :5 (100%)
		15.	Extent of 'March Rush'	Percent of expenditure incurred in last quarter (Jan to March) to total expenditure	Secondary	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned More than 60% :1 (20%) 51% to 60% :2 (40%) 41% to 50% :3 (60%) 31% to 40% :4 (80%) 30% or less :5 (100%)
		16.	Pendency of Abstract Contingent Bills	Percent value of Abstract Contingent (AC) Bills pending settlement for more than 3 years out of total pending AC Bills	Secondary	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned More than 20% :1 (20%) 16% to 19% :2 (40%) 11% to 15% :3 (60%) 6% to 10% :4 (80%) 5% or less :5 (100%)
		17.	Pendency of Audit observations	Percent of CAG's audit observations pending	Secondary	Negative	Score to be recorded on a five point scale and corresponding

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
				compliance for more than 3 years			percentage to be assigned More than 50% :1 (20%) 41% to 50% :2 (40%) 31% to 40% :3 (60%) 21% to 30% :4 (80%) 20% or less :5 (100%)
		18.	Quality of financial management in government	Proportion of respondents who say that the quality of financial management in government in good	Primary (Employees' Survey - Management)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		19.	Use of IT in Governance	e-Readiness Index (NCAER)	Secondary	Positive	Rating to be done on the five point scale on which states are classified (given below) and corresponding percentage to be assigned

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Leaders :5 (100%) Aspiring Leaders :4 (80%) Expectant :3 (60%) Average :2 (40%) Below Average :1 (20%)
1.3	Basic Service Delivery	20.	Accessibility of the nearest primary/community health centre	% of users who say that the primary/community health centre is easily accessible	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		21.	Visit by community health worker (ANM)	% of users (women) reporting at least one visit by community health worker (ANM) to their households during the last three months	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							the proportion of respondents who mention 'Yes'
		22.	Quality of healthcare services provided by the primary/community health centre	% of users who say they are satisfied or very satisfied with the health care services provided by the primary/ community health centre	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Satisfied :5 Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		23.	Accessibility of nearby government primary school	% of users (parents) who say that the primary school is easily accessible	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		24.	Availability of teacher at the government primary school	% of users (parents) who say that the teacher at the primary school is usually available	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		25.	Quality of mid-day meals at the government primary school	% of users (parents) who mention they are satisfied or very satisfied with the quality of mid-day meals provided in primary schools	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Satisfied :5 Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		26.	Quality of teaching provided at the government primary school	% of users (parents) who mention they are satisfied or very satisfied with the quality of teaching provided at the primary school	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Satisfied :5 Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		27.	Overall performance in education	Education Development Index compiled by MHRD through NUEPA	Secondary	Positive	<p>Rating to be done on the five point scale based on ranking of the State and by assigning corresponding percentage</p> <p>Rank among all States Top 20 percentile :5 (100%) 21- 40 percentile :4 (80%) 41-60 percentile :3 (60%)</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							61 - 90 percentile :2 (40%) 91% and above :1 (20%)
		28.	Access to piped drinking water	% of HH having access to piped drinking water	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
		29.	Access to basic sanitation facilities	% of HH having access to public/individual sanitation facilities	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
		30.	Disposal of garbage (Urban)	% of HH mentioning that there is an effective garbage disposal system in their locality	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who mention 'Yes'
		31.	Existence of drainage facility (Urban)	% of HH mentioning that there is an effective drainage system in their locality	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
		32.	Getting monthly entitlements of food grains through the public distribution system (PDS)	% of users mentioning that they usually or always get their monthly entitlement of food grains at ration shops/fair price shops	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Always :5 Usually :4 Sometimes :3 Rarely :2 Never :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (usually or always)</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
		33.	Access to Electricity	% of households having electricity connection	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the proportion of respondents who mention 'Yes'</p>
		34.	Regularity of electric supply	% of households reporting satisfaction on the regularity of electric supply	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Satisfied :5 Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		35.	Availability of roads a. connectivity (rural areas) b. Condition of	% of people (urban) reporting satisfaction on the quality of roads in their town	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Very Satisfied :5</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			roads (urban areas)	% of people (rural) reporting satisfaction on the quality of roads connecting their village to nearest town			Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		36.	Availability of transport facilities	a. % of people reporting satisfaction on the availability of transportation facilities for local travel (urban) b. % of people reporting satisfaction on the availability of transportation facilities for travel out of village (rural)	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Very Satisfied :5 Satisfied :4 Neither satisfied nor dissatisfied :3 Dissatisfied :2 Strongly Dissatisfied :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.4	Corruption Perception, Vigilance &	37.	Incidence of bribery involving government officials	Proportion of respondents who mention they have paid bribe to government officials for any	Primary (Citizen's Survey)	Negative	Respondents provide response on a Yes-No scale

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
	Enforcement			service received in the last one year			Yes :1 No :2 Final score to be used would be the 100% minus proportion of respondents who mention 'Yes'
		38.	Corruption trends	Proportion of respondents who mention that over the last three years corruption has reduced	Primary (Citizen's Survey)	Positive	Respondents provide response on a Yes-No scale Yes :1 No :2 Final score to be used would be the proportion of respondents who mention 'Yes'
		39.	Efficacy of the State Vigilance Commission	Proportion of cases where State Government did not accept recommendations of the State Vigilance Commission	Secondary	Negative	Score to be used would be the 100% minus actual proportion as reported
		40.	Conviction rate of Anti-Corruption Bureau	Proportion of cases in which conviction was secured by Anti-Corruption Bureau	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 10% to 19% :2 (40%) 20% to 29% :3 (60%)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							30% to 39% :4 (80%) 40% or more :5 (100%)
		41.	Profile of prosecutions by Anti-Corruption Bureau	Proportion of prosecutions pertaining to All India Service Officers & Heads of Departments (HoDs) out of total number of prosecutions during last 3 years	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 10% to 19% :2 (40%) 20% to 29% :3 (60%) 30% to 39% :4 (80%) 40% or more :5 (100%)
		42.	Disposal rate of departmental enquiries on corruption	Average disposal rate (%) of departmental enquiries on corruption pertaining to Class I officers during the last three years (Total cases initiated in last three years minus total cases disposed)	Secondary (If information is not available, a sample survey of departments may be done)	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 20% :1 (20%) 20% to 39% :2 (40%) 40% to 59% :3 (60%) 60% to 79% :4 (80%) 80% or more :5 (100%)

**Economic Dimension of Governance
Mapping into Component, Sub Components and Indicators**

Governance Dimensions	Component	Types of indicators		
		Primary	Secondary	Total
Economic	Fiscal Governance	1	4	5
	Business Environment	8	0	8
	Support to the Primary Sector	5	0	5
	Total	14	4	18

Economic Dimension

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
1.1	Fiscal Governance	1.	Fiscal Dependency	Own tax revenue as a proportion of GSDP	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 5% :1 (20%) 5% to 7.5% :2 (40%) 7.6% to 10% :3 (60%) 10% to 12.5% :4 (80%) More than 12.5% :5 (100%)
		2.	Development Expenditure	Development expenditure as proportion of GSDP	Secondary	Positive	Score to be recorded on a five point scale and corresponding percentage to be assigned Less than 10% :1 (20%) 10% to 12.5% :2 (40%) 12.6% to 15% :3 (60%) 15% to 17.5% :4 (80%) More than 17.5% :5 (100%)
		3.	Expenditure on Wages and Salaries	Wages & salaries as a proportion of total revenue expenditure	Secondary	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned More than 46% :1 (20%) 36% to 45% :2 (40%)

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							26% to 35% :3 (60%) 16% to 25% :4 (80%) Less than 15% :5 (100%)
		4.	Debt Liability	Debt as a proportion of GSDP	Secondary	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned More than 50% :1 (20%) 41% to 50% :2 (40%) 31% to 40% :3 (60%) 21% to 30% :4 (80%) Less than 20% :5 (100%)
		5.	Quality of fiscal governance	Proportion of respondents who believe that the government has managed the finances of the State in a proper manner	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.2	Business Environment	6.	Investment climate	Proportion of respondents who rate the investment	Primary (Business)	Positive	Respondents rate the investment climate on a five point scale

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
				climate in the State as good or excellent	Survey)		<p>Excellent :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		7.	Single-window facility for investors	Proportion of respondents who rate the quality of functioning of the single-window facility as good or very good	Primary (Business Survey)	Positive	<p>Respondents rate the single-window facility on a five point scale</p> <p>Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p> <p>State not having single window facility get zero (no marks)</p>
		8.	Ease of registering a business	Proportion of respondents who say it is easy to register a business in the State	Primary (Business Survey)	Positive	<p>Respondents provide response on a five point scale</p>

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		9.	Availability of skilled labour	Proportion of respondents who say there is adequate availability of skilled labour	Primary (Business Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		10.	Access to credit	Proportion of respondents who say it is easy to access credit in the State	Primary (Business Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		11.	Quality of physical infrastructure	Proportion of respondents who say the quality of physical infrastructure provided (such as electricity, water, transport, communication etc.) is good	Primary (Business Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		12.	Quality of Procurement process for business contracts	Proportion of respondents who say the process of procurement for business contracts is fair and transparent	Primary (Business Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		13.	Incidence of bribery for business purposes	Proportion of respondents who say they had to pay bribes to government officials for business purposes in the last one year	Primary (Business Survey)	Negative	Respondents provide response on a Yes-No scale Yes :1 No :2 Final score to be used would be the 100% minus proportion of respondents who mention 'Yes'
1.3	Support to the Primary sector	14.	Rural indebtedness	Proportion of small & marginal farmer households (owning up to 2 hectares) who are indebted	Primary (Citizen's Survey - Farmers)	Negative	Score to be recorded on a five point scale and corresponding percentage to be assigned More than 60% :1 (20%) 51% to 60% :2 (40%) 41% to 50% :3 (60%) 31% to 40% :4 (80%) Less than 30% :5 (100%)
		15.	Quality of extension	Proportion of respondents	Primary	Positive	Respondents rate the quality of

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			and marketing services	who say the quality of marketing & extension services provided by government is good or very good	(Citizen's Survey - Farmers)		<p>extension services on a five point scale</p> <p>Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (good or very good)</p>
		16.	Quality of agricultural inputs	Proportion of respondents who say the quality of agricultural inputs provided by the government is good or very good	Primary (Citizen's Survey - Farmers)	Positive	<p>Respondents rate the quality of agricultural inputs on a five point scale</p> <p>Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (good or very good)</p>
		17.	Quality of irrigation facilities / water	Proportion of respondents who say the quality of	Primary (Citizen's	Positive	<p>Respondents rate the quality of irrigation facilities on a five point</p>

Sl. No	Component	Sl. No	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			availability for farming	irrigation facilities provided by the government is good or very good	Survey - Farmers)		scale Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (good or very good)
		18.	Quality of credit facility	Proportion of respondents who say the quality of credit facility extended by the government institutions and banks is good or very good	Primary (Citizen's Survey - Farmers)	Positive	Respondents rate the quality of credit facility on a five point scale Very Good :5 Good :4 Fair :3 Poor :2 Very Poor :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (good or very good)

Social Dimension of Governance
Mapping into Component, Sub Components and Indicators

Governance Dimension	Components	Types of Indicators		
		Primary	Secondary	Total
Social	1. Welfare of the Poor & Vulnerable	6	1	7
	2. Role of Civil Society and Media	8	0	8
	3. Environmental Management	1	1	2
	Total	15	2	17

Social Dimension

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
1.1	Welfare of the Poor & Vulnerable sections	1.	Addressing the needs of the poor	Proportion of respondents (BPL) who felt that the government has adequately addressed the needs of the poor	Primary (Citizen's Survey – BPL)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		2.	Nutrition Status	Underweight rates among 0-3 year old children	Secondary	Negative	<p>Score to be recorded on a five point scale and corresponding percentage to be assigned</p> <p>More than 40%% :1 (20%) 31% to 40% :2 (40%) 21% to 30% :3 (60%) 11% to 20% :4 (80%) 10% or less :5 (100%)</p>
		3.	BPL households owning BPL cards	Proportion of respondents (BPL) who own BPL cards	Primary (Citizen's	Positive	Respondents provide response on a Yes-No scale (To be verified)

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
			for PDS entitlements	for subsidised food grains through ration shops	Survey – BPL)		physically) Yes :1 No :2 Final score to be used would be the proportion of respondents who mention `Yes`
		4.	Old age & widow pensions benefits	% of target BPL beneficiaries getting old age & widow pensions benefits	Primary (Citizen's Survey – BPL)	Positive	Respondents provide response on a Yes-No scale (To be verified physically) Yes :1 No :2 Final score to be used would be the proportion of respondents who mention `Yes`
		5.	Addressing the welfare needs of women & children	Proportion of respondents who felt that the government has adequately addressed the welfare needs of women & children	Primary (Citizen's Survey – Women)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		6.	Freedom to practice one's religion	Proportion of respondents who say they have the freedom to practice their religion	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		7.	Absence of Social Discrimination	Proportion of respondents who say they do not face discrimination in social life due to their religious, social or cultural identity	Primary (Citizen's Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.2	Role of Civil Society & Media	8.	Civil Society involvement in policy formulation	% of CSOs/NGOs who report that the government makes consistent effort to involve NGOs in policy formulation	Primary (NGO Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)</p>
		9.	CSOs/NGOs involvement in programme implementation or monitoring & evaluation of programmes	% of CSOs/NGOs who report that the government makes consistent effort to involve NGOs in programme implementation or monitoring & evaluation of programmes	Primary (NGO Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1</p> <p>Final score to be used would be the</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							proportion of respondents who rate '4' or '5' (agree or strongly agree)
		10.	Political / Bureaucratic interference in the functioning of CSOs/NGOs by elected representatives	Proportion of CSOs/NGOs who feel there is less or very less political / bureaucratic interference in the functioning of NGOs	Primary (NGO Survey)	Negative	<p>Respondents provide response on a five point scale</p> <p>Very High :5 High :4 Average :3 Less :2 Very Less :1</p> <p>Final score to be used would be the proportion of respondents who rate '1' or '2' (low or very low)</p>
		11.	Incidence of bribes paid by CSOs/NGOs	% of CSOs/NGOs reported giving bribes to politicians / administrators in last one year	Primary (NGO Survey)	Negative	<p>Respondents provide response on a Yes-No scale</p> <p>Yes :1 No :2</p> <p>Final score to be used would be the 100% minus proportion of respondents who mention 'Yes'</p>
		12.	Independent functioning of media	Proportion of respondents who feel that the government allows the media to function independently	Primary (Media Survey)	Positive	<p>Respondents provide response on a five point scale</p> <p>Strongly agree :5</p>

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
		13.	Political / bureaucratic interference in the functioning of the media	Proportion of respondents who feel there is less or very less political / bureaucratic interference in the functioning of the media	Primary (Media Survey)	Negative	Respondents provide response on a five point scale Very High :5 High :4 Average :3 Less :2 Very Less :1 Final score to be used would be the proportion of respondents who rate '1' or '2' (low or very low)
		14.	Extent of freedom from business interests	Proportion of media respondents who feel that the influence of business interests on the media is less or very less	Primary (Media Survey)	Positive	Respondents provide response on a five point scale Very High :5 High :4 Average :3 Less :2

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Very Less :1 Final score to be used would be the proportion of respondents who rate '1' or '2' (low or very low)
		15.	Role of Media as watchdog	Proportion of respondents who feel that the media plays its role as watchdog in a responsible and accountable manner	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4 Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)
1.3	Environmental Management	16.	Environmental Governance	Environmental Governance Score (Source: Environmental Sustainability Index for India States)	Secondary	Positive	Score to be used would be the environmental governance score reported for the State
		17.	Government effectiveness in the protection of the environment	Proportion of respondents who say that the government has taken many measures for the protection of the environment	Primary (Citizen's Survey)	Positive	Respondents provide response on a five point scale Strongly agree :5 Agree :4

Sl. No.	Component	Sl. No.	Indicators	Description	Type of Data Source	Likely effect on quality of governance	Measurement
							Neither agree nor disagree :3 Disagree :2 Strongly disagree :1 Final score to be used would be the proportion of respondents who rate '4' or '5' (agree or strongly agree)

CONCLUSION

Economic growth is about increasing the size of the pie, while equity ensures that everybody has a piece of it. The quality of governance can affect both these outcomes, positively or adversely. For governance to result in positive development outcomes, it is necessary to understand how it works in different spheres – political, legal-judicial, administrative, economic and social-environmental. Hence the need to measure it.

There has been an explosive growth in governance assessments. A host of organizations routinely rank countries on various governance parameters based on a given set of indicators. The methodology followed for assessing governance varies from subjective perceptions of experts on the one extreme to hard data on the other. The limitations of not only the indicators themselves but also the methodologies are well recognized.

It is a challenge to come up with a new framework for assessing governance given the complexity and controversy involving the subject. The framework suggested in this report tries to provide a sound conceptual basis for deconstructing governance and the indicators to measure it based on international and our own experience. It adopts a rights based approach enshrined in India's Constitution and is avowedly from the perspective of poor and weaker sections of society.

Due to limitations of the project design, sample size had to be small. However, when this is undertaken by a State, the sample sizes can be sufficiently large to provide a more granular picture of governance as seen by poor, weaker sections or minorities. There are problems in gathering secondary data, especially those that are considered sensitive. It must be recognized that there will initially be problems with data as there may be no system of recording some data presently. However, with time State organizations would find incentives or be forced to keep such data. If the assessment highlights the absence of data in some critical areas, that itself would be one of its significant outcomes.

It is hoped that State Governments come forward to adopt and use the framework, not with a view to make political capital of it but to understand weaknesses and constraints that undermine the quality of governance in a particular sphere. While doing so, the State Government must accord highest importance to transparency and fairness in the design of the study, in data collection & analysis and in reporting. The use of competent, independent and well-reputed agencies is suggested. Ultimately, the use of this framework will be the first test of quality of governance in the State.

Annexure: Assessing governance – International Discourse and Practice

Governance assessment involves in a majority of cases measuring a given concept (slice) of governance. For example, International Country Risk Guide (ICRG) measures corruption, law and order and bureaucratic quality; Business Environmental Risk Intelligence (BERI) measures bureaucratic delays, contract enforceability and policy stability; Heritage Foundation assesses property rights, black market and regulation; World Development Report evaluates policy unpredictability, quality of government services, corruption and red tape; Freedom House measures political freedoms and civil liberties. There are very few cases which measure governance along all its dimensions. The most famous among the governance assessment at aggregate level is the World Bank Institute's Kaufmann, Kraay and Zoido-Lobaton (popularly referred to as KKZ) which uses the individual governance indicator scores generated by different organizations and statistically aggregates them. There are other attempts at measuring governance comprehensively which are discussed below.

International Country Risk Guide:

Started in 1980, it is one of the most important governance indicators for international investors. ICRG ranking is 'designed to assess *financial, economic and political* risks in countries, and to compare them between countries [in order to] to meet the needs of clients for an analysis of the potential risks to international business operations.' While financial and economic risk indicators are based entirely on objective measurement (e.g. ratios of foreign debt to GDP, current account balance to exports), the political risks are based in experts' subjective interpretation of pre-specified risk 'components' such as government's apparent ability to stay in office, political violence and conflict, etc. It provides ratings for 140 countries on a monthly basis and offers one-year and five-year assessments with projections framed in 'best case' and 'worst case' scenarios.

Freedom House

Freedom House provides annual ratings of political rights and civil liberties in 192 countries which are widely used by journalists, academics and analysts. The ratings are based on experts' answers to a set of questions. The political rights checklist comprises ten questions divided into three categories: *the electoral process; political pluralism; and participation*. The checklist on civil liberties comprises 15 questions in four categories: *the freedom of expression and belief; peoples' rights to associate and organize; the rule of law; and personal autonomy and individual rights*.

Transparency International

The best known governance indicator of all, TI's Corruption Perception Indicator (CPI) available since 1995 is used by investors, donors, analysts and academics. The CPI is based on surveys of perception of residents, non-resident business people and expert assessments. The 2005 CPI ranked 159 countries based on the results of 16 surveys and expert assessments undertaken by 10 different organizations between 2003 and 2005.

The World Bank

The World Bank produces Country Policy and Institutions Assessments (CPIAs). The CPIAs comprise 16 criteria a divided into four clusters:

<i>Cluster</i>	<i>Criteria</i>
<i>Economic Management:</i>	1 Macro-economic management 2 Fiscal policy 3 Debt policy
<i>Structural Policies:</i>	4 Trade policies, 5 Financial sector policies 6 Business regulatory environment
<i>Social inclusion and equity:</i>	7 Gender equality 8 Equity of public resource use 9 Building human resource 10 Social protection and labour 11 Policies and institutions for environmental sustainability
<i>Public sector management and Institutions:</i>	12 Property rights and rule-based governance, 13 Quality of budgetary and financial management 14 Efficiency of revenue mobilization, 15 Quality of public administration 16 Transparency-accountability-corruption in the public sector

The ratings are given by the World Bank’s country team on scale of 1 to 6 on each of the criteria with each cluster having same weight (though the criteria have different weights).

World Governance Indicators (WGI) World Bank Institute

The most well known initiative is by the **World Bank Institute** which measures governance by aggregating data from diverse secondary sources from more than 160 countries around six *aspects* of governance:

1. *Voice and accountability*, the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media
2. *Political stability and absence of violence*, perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism
3. *Government effectiveness*, the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies
4. *Regulatory quality*, the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development
5. *Rule of law*, the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence
6. *Control of corruption*, the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests

The model also uses a different set of *attributes* ('hypothetical determinants of governance') for aggregation 'using the methodology of unobserved components' such as transparency, quality of rules, enforcement, meritocracy, politicization, wage satisfaction, voice, mission, service performance, service access, resources and audit. The WGI indicators are composite indicators in the sense that they are constructed from hundreds of existing perception indicators derived from 37 different data sources produced by 31 different organizations.

United Nations University - World Governance Survey

Most governance assessments are based on subjective (perceptions) impressions of governance by a small number of country, sector, and regional experts (e.g. Freedom House, Economist Intelligence Unit, etc.) Some others undertake cross-country surveys of citizens (Gallup International and World Economic Forum). While expert opinions are prone to be biased by ideological agenda of the rating organization, public surveys of citizens have the disadvantage of a) being highly context specific which make cross country comparisons difficult and b) citizens in general may not be able to give credible answers for lack of in depth knowledge or understanding of specific governance issues. The WGS uses a cross section of local experts or Well Informed Persons (WIPs) in the country.

WGS disaggregates the political process (governance) into the following six *stages or arenas*:

Civil Society, where citizens become aware of and may raise issues for the attention of political authorities;

Political Society, where issues are aggregated by political parties and legislatures;

Government, where stewardship of the system as a whole tends to lie;

Bureaucracy, where policies are prepared and implemented;

Economic Society, where relations between state and the market are determined;

Judiciary, where disputes are settled.

These are treated as functional categories that can be found in any political system. Drawing on the governance literature and Universal Declaration of Human Rights, the following six *principles* that are closest to 'universal' values have been identified:

Participation

Fairness

Decency

Accountability

Transparency

Efficiency

The last three principles refer specifically to how the officials behave in public office and the first three principles to the way they interact with citizens.

International Institute of Democracy and Electoral Assistance (IDEA) Framework

The IDEA state of Democracy framework is founded on two fundamental democratic principles viz.

- a) popular control over public decision making and decision makers,
- b) equality of respect and voice between citizens in the exercise of that control

These two *principles* are then expressed through the following seven mediating values:

- i) participation;

- ii) authorisation;
- iii) representation;
- iv) accountability;
- v) transparency;
- vi) responsiveness;
- vii) solidarity

The achievement of these mediating values in turn relies on a series of requirements and institutional means with which to realise them. The combination of principles and values yields four main *pillars of assessment* each with additional subcategories of analysis, which are used to orient the entire assessment project.

Main Pillars of Democracy Assessment

Main Pillars

Citizenship, Law, and Rights

Sub-Categories

Nationhood and citizenship
 The rule of law and access to justice
 Civil and political rights
 Economic and social rights

Representative and
 Accountable Government

Free and fair elections
 Democratic role of political parties
 Government effectiveness and accountability
 Civilian control of the military and police
 Minimizing corruption

Civil Society and Popular Participation

Media in a democratic society
 Political participation
 Government responsiveness
 Decentralization

Democracy Beyond the State

International dimensions of democracy

Fiji's Governance Index

The appropriateness and effectiveness of a country's institutions and its governance outcomes can be argued to be reflected in various ways including political participation, voter awareness, transparency in government accounts, media attention, and corruption. Given that governance outcomes are wide and varied, such governance *dimensions* have been chosen that largely reflect the definitions of governance as proposed by Kaufmann *et al* (2003), Kaufmann *et al* (1999), Neumayer (2002) and Polidano (2000). Using these definitions as a guide, four core governance dimensions were formulated: the *rule of law*, *government effectiveness*, *regulatory quality*, and *social development*. The dimensions of governance were expanded to include aspects of societal welfare—a dimension that has not been captured by previous studies developing measures of governance. Each of the four dimensions of governance has *sub-dimensions*; and indicator variables that are believed to directly or indirectly capture or reflect these sub-dimensions of governance are used in their measurement. The governance index developed is mostly based on hard data and so the choice of core dimensions, sub-dimensions and variables is dictated largely by the regular availability of data. It was felt that while arguments may be made for other indicators of governance, they would be of no use if appropriate data were unavailable.

Four core dimensions were chosen but this set is arbitrary. As previously mentioned, the choice of dimensions was largely dictated by the availability of hard data. (Azmat Gani and Ron Duncan, Fiji's Governance Index)

Democratic Governance Indicators – Experience of Mongolia

A similar exercise in **Mongolia (2006)** done with the assistance of UNDP and International IDEA measured governance through qualitative and qualitative approaches included the following aspects:

- Perception and Evaluation of Democracy
- Citizenship, Law, and Rights
- Representative and Accountable Government
- Civil Society and Popular Participation
- Democracy beyond the State
- Social-Economic Background Variables

USAID (1998) seeks to measure governance along the following *dimensions*:

- Rule of law;
- Elections and Political Processes;
- Civil Society; and
- Transparency & Accountability

(Source: **Dimensions of Governance Covered by UNDP Governance Indicators Users' Guide**)

Brief critique of existing models of governance assessment

From the various frameworks used for measuring governance detailed above, it is observed that

- a. all the frameworks deconstruct the governance concept into smaller elements which are called by different names viz. clusters, aspects, arenas, stages, pillars, dimensions, etc.
- b. The number of the broken down elements vary from four to seven.
- c. Broadly, the dimensions of governance are seen to be:
 - **Government effectiveness** - public sector management and institutions, public administration, bureaucracy, control of corruption, etc.
 - **Political governance** – Voice and accountability, political stability, representative and accountable government, elections and political processes, etc.
 - **Social governance** – social inclusion, civil society and popular participation, social development, social protection, etc.
 - **Legal and Judicial governance** – Rule of law, regulatory quality, justice or judiciary, etc.
 - **Economic governance** – Economic management
- d. The method of assessment varies from case to case, but is largely based on subjective assessment. If it is done by country team in case of World Bank, it is done through a

cross section of experts and well informed persons in case of WGS. On one extreme Bangladesh governance assessment is based on studies by research scholars and on the extreme the complete assessment is based on hard data in case of Fiji's index.

Framework	Governance Elements are referred as	Their Number	Particulars	Assessment
World Bank Country Policy and Institutional Assessment (CPIA)	Clusters	Four	<ul style="list-style-type: none"> a. Economic Management b. Structural Policies c. Social inclusion and equity d. Public sector management and institutions 	By WB country team on a scale of 1-6
World Bank Institute (WGI)	Aspects	Six	<ul style="list-style-type: none"> a. Voice and Accountability b. Political Stability and absence of violence c. Government effectiveness d. Regulatory quality e. Rule of law f. Control of corruption 	Constructed from existing perception indicators derived from 37 different data sources produced by 31 different organizations
United Nations University World Government Survey	Stages or Arenas	Six	<ul style="list-style-type: none"> a. Civil Society b. Political Society c. Government d. Bureaucracy e. Economic Society f. Judiciary 	By a cross section of local experts or well informed persons (WIPs)
International IDEA Framework	Pillars	Four	<ul style="list-style-type: none"> a. Citizenship, law and rights b. Representative and accountable government c. Civil Society and Popular Participation d. Democracy Beyond the state 	
Fiji's Governance Index	Dimensions	Four	<ul style="list-style-type: none"> a. Rule of Law b. Government effectiveness c. Regulatory quality d. Social development 	Secondary Data
USAID	Dimension	Four	<ul style="list-style-type: none"> a. Rule of Law b. Elections and Political Processes c. Civil Society d. Transparency and Accountability 	

Framework	Governance Elements are referred as	Their Number	Particulars	Assessment
State of Governance in Bangladesh 2006	Dimension	Seven	a. Political Governance b. Macroeconomic Governance c. Public Administration d. Justice e. Local governance f. Civil Society g. Social Protection	By Research Scholars

Although the governance assessment models discussed above provide a reasonably good framework, they have certain limitations.

- i. Most governance models do not provide a clear differentiation between governance dimensions and governance characteristics / principles – i.e. they fail to differentiate between what governance is composed of and what it should be characterized by. In other words, no distinction is made between performance indicators that refer to quality of governance in terms of a normative outcome (e.g. level of literacy) and process indicators that refer to quality of governance in terms of how the outcomes are achieved (e.g. whether the process of recruitment ensured equity and transparency). Moreover, some of them (e.g. USAID) includes what are governance principles (transparency and accountability) as a dimension of governance.

To illustrate, ‘conduct of elections’ is a critical component of political governance but it should be characterised by ‘fairness’, ‘participation’ and ‘rule of law’. In other words, the mere conduct of elections does not necessarily indicate good governance if they have been conducted without fairness and transparency. As observed by Eva Poluha and Mona Rosendahl ‘(This) western ‘promotion of democracy has been rather uniform and ethnocentric, almost exclusively emphasizing multi-party elections. Too often, however, the western concern has ended once the elections have been carried through. Thus election results, without any competition between individuals and with opposition groups being prevented from participation, have been accepted without comment.’

This report suggests an approach that differentiates between the two and also integrates them into a holistic framework. The advantages that ensue are two-fold:

- Firstly, it helps provide specific and actionable inputs by helping identify basic governance areas which require focussed attention; and
 - Secondly, it can be easily related to institutional nodes and governance agencies responsible for specific functions
- ii. *Most approaches reflect a gap in linking the measurement dimensions to specific institutional nodes.* The WGS approach scores over other approaches in this regard.

- iii. *Most approaches provide cross-country assessments and hence there are inherent limitations in applying the same at a sub-national level.*

Cross-country assessments do provide a wide umbrella of parameters, but are usually hampered by the depth (specificities) of information required. Even in-country assessments, particularly in an Indian context, are likely to differ markedly at the federal and state levels. Governance assessments at the state level must allow for greater localised content which, apart from enabling comparative analysis, would provide greater diagnostic value.

- iv. Approaches to evolve a construct of governance by various multi-lateral organisations are to a certain extent influenced by their respective organisational mandates. Not only are they dictated by the concerns of these organizations, their methodological approaches are not always rigorous enough. While most of them are based on good and reasonable time series data and are updated annually, some of them lack transparency in coding, and have ideological biases. Transparency International and Political Risk Services data are based on an unrepresentative sample of opinion. Some like the World Bank Country Policy and Institutional Assessment (CPIA) that measures policy quality is based on assessments by the Bank staff; they are hardly impartial, external observers.²
- v. As can be seen there are differences in definitions as well choice of indicators. They reflect, among other things, the different interests and mandates of the agencies. The UN, USAID, DFID and the EC emphasize the social and political aspects of governance, highlighting the processes of participation and responsiveness (to the needs of the people), democracy and human rights concerns. The banks and financial institutions focus more on economic governance, prioritizing transparency, accountability and (public sector) efficiency and effectiveness. Although transparency and accountability are common concerns for all, corruption, public sector management and the rule of law tend to feature more strongly in the governance programmes of the financial institutions.

The UNDP Governance Indicators Users' Guide 2004 presents an overview of currently available governance indicators and data sources. More than half of the sources provided at least some political indicators, ten provided some social indicators, ten provided some economic indicators, most related explicitly to the interests of the private sector and several focused primarily on corruption, four provided some judicial indicators and six, including four specialist sources, provided media indicators. *Only five sources provide indicators related to gender.*

² Commitment to Good Governance, Development, and Poverty Reduction: Methodological Issues in the evaluation of progress at national and local levels – A paper by Suchitra Punyatabandhu, 2004

Dimension	Description	Number of sources providing indicators
Political	Political rights, development commitment, EU issues, democracy, voice and accountability, government effectiveness, political terror, state failure, parliament	19/34
Social	Gender discrimination/ women's participation, workers rights, human rights, security, role of civil society, NGOs, socio-cultural	10/34
Economic – Business	corruption, business and finance, economic growth, competitiveness, regulatory quality	10/34
Judicial	Justice, rule of law	4/34
Media	freedom of the media, journalists killed, media staff killed or imprisoned	6/34

In order to develop indicators that reflect the different situation and experience of poor people, data and indicators need to be disaggregated in terms of other socio-economic variables that reflect or define poverty or vulnerability. Poverty reduction is a principle objective of development policy and good governance. Pro-poor indicators will provide valuable input to policy formulation and programme management, monitoring and evaluation, as well as facilitating the participation of the poor in the processes of governance. (Lorraine Corner)

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