

GOVERNANCE INDICATORS FOR MAHARASHTRA

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Road towards a framework for development.

1. INTRODUCTION

The process of improvement starts when we start measuring the current situation. By supplying the tools to measure governance and monitor changes in its quality, the State of Maharashtra will have some standards which will help the policy makers to reshape the framework in which governance reforms are designed, implemented, and assessed.

Policymakers, civil society groups, aid donors, academicians and scholars around the world increasingly agree that good governance matters for development. Scholars have discovered that high-quality institutions have the power, over the long run, to raise per capita incomes and promote growth in all parts of the world. And the “development dividend” paid by good governance is large. Researchers estimate that when governance is improved by one standard deviation, incomes raise about three-fold in the long run, and infant mortality declines by two-thirds.

This growing consensus has emerged from a propagation of practical measures of institutional quality, governance, and the investment climate, and accompanying research showing the strong development impact of good governance.

World Bank **Worldwide Governance Indicators** capture six key dimensions of governance (Voice and Accountability, Political Stability and Lack of Violence, [Government Effectiveness](#), Regulatory Quality, [Rule of Law](#), and Control of [Corruption](#)) between 1996 and present. They measure the **quality of governance** in over **200 countries**, based on close to **40 data sources** produced by over **30 different organizations worldwide** and are updated on an annual basis since 2002.

These governance indicators contribute to the growing empirical research of governance which has provided activists and reformers worldwide with advocacy tools for policy reform and monitoring.

2. METHODOLOGY

The Worldwide Governance Indicators are a compilation of the perceptions of a very diverse group of respondents. They are collected in large number of surveys and other cross-country assessments of governance. The data captures the view of firms, individuals, and public officials; NGOs, aid donors; they also take help of many risk-rating agencies in the countries being assessed.

As in past years, the WGI are based exclusively on subjective or perceptions based data on governance reflecting the views of a diverse range of informed stakeholders, including tens of thousands of household and firm survey respondents, as well as thousands of experts working for the private sector, NGOs, and public sector agencies. They rely on the reports of these stakeholders, which reflect their judgments and perceptions.

First, they organize the many individual sources of data on governance perceptions and assign them to six broad categories.

Statistical methodology known as an unobserved components model is used to construct aggregate indicators from these individual measures. These aggregate indicators are weighted averages of the underlying data, with weights reflecting the precision of the individual data sources. Crucially the methodology also generates margins of error for the estimates of governance for each country, which need to be taken into account when making comparisons of governance across countries and over time.

3. INDICATORS FOR MAHARASHTRA

By measuring governance in Maharashtra, we can have a ground ready from which we want to improve. These questions will show us where we stand and where we want to go. These indicators will also work as report card for government and also for the bureaucracy. There would be a yardstick which one would follow and stakeholders and keep a better check on the system.

Questions will be asked to think tanks, political-outfits, bureaucrats, journalists, businessmen and elderly so as to gauge response from some specific sectors.

A government official may feel that the media is impartial but a journalist might have a different view if asked in isolation. Therefore individual perceptions will become necessary for this kind of study. We will rely on the reports of these stakeholders, which will reflect their judgments and perceptions.

For accessing Maharashtra we cannot use the same questionnaire as designed by the World Bank as Maharashtra is a part of a country and thus cannot have full control over its administrative setup.

Taking a cue from the World Bank Indicators we have tried to design a questionnaire especially for Maharashtra. The same if used by other states can give us an inter country index of Governance.

1. Voice and Accountability

- a. Is the procedure for transfers of government officials complicated? How complicated?
- b. Do you think the elections in Maharashtra are free and fair?
- c. Do you feel that the Media is biased towards any political outfit?
- d. Is there prevalence of paid news in any form?
- e. Do minority groups have enough voice in political process?
- f. Is there transparency with respect to formation of public policy?
- g. Are the politicians trustworthy?
 - i. Do you know your local MLA, *Nagarsevak*
- h. Are the government documents easily procurable? RTI?

2. Political Stability and Absence of Violence

- a. Are there disagreements within the government?
- b. Do you think Fractionalization by language, ethnic and/or religious groups exist?

- c. How powerful are these fractional groups?
- d. How frequent do you hear about riots?
- e. What is the frequency of social unrest? Demonstrations?
- f. Are the assassinations of any politician/ activist frequent?

3. Government Effectiveness

- a. Do you face any bureaucratic delays?
- b. How strong are the public institutions?
- c. Is it easy to set up a business in Maharashtra?
- d. Are public services easily available?
- e. Is level of infrastructural development up to your expectations?
- f. Do you feel the tax collection methods are flawless?

4. Regulatory Quality

- a. Is it easy to set up a business in Maharashtra?
- b. Is there Price stability in the market?
- c. Tax benefits for small scale/startups
- d. Success in attracting foreign investment.
- e. Labor laws
- f. Economic development policies
- g. How prevalent are unfair competitive practices?

5. Rule of Law

- a. Would you say that the government is successful in maintaining the law and order in your state?
- b. Is judicial process free from political interference?
- c. Do you have confidence in Police?
- d. Is organised crime prevalent in your state?
- e. Have frequently you have been mugged/faced crime?

6. Control of Corruption

- a. "Unofficial payments" typically account for what percentage of sales?
- b. Frequency of giving extra money so as to get your work done?
- c. Who all do you think are involved?
- d. Do you see any efforts by the government to tackle Corruption?
- e. It is an alternate economy. Do you agree with the statement?
- f. Would you give bribe if no major stakes are involved? Giving money to police if you are caught breaking a signal?