

**Mahamahim's speech for National Convention  
on "Good Governance and National Development"  
organized by Management Development Academy  
on 9<sup>th</sup> September, 2011 at Jaipur**

**Distinguished Guests, Ladies, Gentlemen and members  
of the Media,**

**I am immensely pleased that the Management  
Development Academy is so actively devoted to the  
promotion of good governance, corporate governance  
and ethics in both the government and the private  
sectors.**

**The issue of good governance, as a necessary ethical off-shoot of any discussion centered on the philosophy of governance, has been subject of much thought and debate since centuries. This has been nowhere more true than in India, because of the strong moral and religious currents that underlay much of our social and political life and our rich and varied past.**

**An ideal philosophy of good governance can easily be found enshrined in the preamble of our Constitution which says 'the State should strive to realise justice - social and economical to all its citizens'. The route to provide social and economical justice is obviously**

**through good governance. Good governance would be the manner to do so free of corruption and under the rule of law.**

**UNDP, in one of its reports, has mentioned that “governance is about the exercise of economic, political and administrative authority in the management of affairs of a country at all levels. It involves mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, discharge their obligations, and mediate their difference”. It, thus, expresses the inter-relationships among capabilities,**

values and interests of citizens, legislative choices, political decision making, executive and organizational structures, bureaucracy, rules in an economic society and judicial system. It is in this context that governance has significant consequences for economic development of a country. Development of an economy and ultimately the well-being of people reflected in human development, is in this way, determined by the quality of governance.

For the last two decades, governance has acquired greater importance in the debate for development, because there is now a considered view

**that efficient use of available resources is more important than the resources themselves in an economy.**

**While India, since independence, has made tremendous progress economically, the process of delivery of service to the citizens has not kept pace. Sam Pitroda in his speech at Jaipur on 9<sup>th</sup> July had rightly pointed out that governance styles and good patterns have not evolved – have remained static. The way the Government takes decisions, needs change in this electronic age.**

**Good governance as means of economic development has to have some core characters. These are participation, rule of law, transparency, responsiveness, consensus, equity, accountability and strategic vision.**

**While all these attributes are important, it may not be practical to discuss all of these here. Therefore, considering the present anxiety levels in the society about corruption, I will briefly touch on Transparency, Equity, Rule of law and Efficiency as these are, in many ways, interwoven into each other.**

**Former Prime Minister, Rajiv Gandhi once said that 'out of every one rupee released by the government for welfare schemes only 17 paisa actually reaches the common man and the rest is lost enroute due to serious leakages in the system. Therefore, good governance has to strive towards eliminating or reducing these leakages.**

**We are witness to a churning in the society about the need for transparency and integrity in governance. The anti-corruption tirades of social activists, such as, Anna Hazare and others have their roots in the feeling of extreme unease in the minds of people about the**

**all-pervading corruption and its impact on the lives of the people. The news channels and mass media are critically analyzing every action or inaction of the Government giving voice to this feeling of extreme unease. The Right to Information has shown that society itself is no longer willing to be governed under a cloak of secrecy – which is a hangover of the colonial era. The intense debates on the Lokpal issue are ample proof of this visible turmoil.**

**There are innumerable occasions where a common man has to face serious challenges due to indifferent and corrupt Government machinery. As**

**an example, even to acquire 'a birth certificate' or get police verification certificate for Passport or a Driving Licence from a Government office, an individual has to run around for days or grease the palms of corrupt officials. So, good governance needs transparency, quick disposal and accuracy in the functioning of Government agencies. In the decade 2000-2010, the Indian economy has grown at an average rate of around 8% per annum and the Chinese economy at 10%. This has happened in spite of high corruption levels in both countries. Surely, if**

**there was transparency in governance, the growth rate could have been even better.**

**As economic growth, we all know, largely depending on investments in the economy and productivity of the capital used which in turn are dependent on good governance institutions, attractive public policy and market opportunities. Even when these institutions are firmly in place, corruption remains a big factor in retarding the growth.**

**A number of countries have adopted different strategies for countering corruption. The Singapore**

**model is often quoted as one of the successful models. Singapore's approach can be best summarized by the statement of Lee Kuan Yew's words- who had said "The moment key leaders are less than incorruptible, less than stern in demanding high standards, from that moment the structure of administrative integrity will weaken and eventually crumble. Singapore can survive only if Ministers and senior officers are incorruptible and efficient. .... Only when we uphold the integrity of the administration, can the economy work in a way which enables Singaporeans to clearly see the nexus**

**between hard work and rewards." In order to explore the most pragmatic way to remove the lapses, the government should develop such systems which will ensure inclusive growth based on transparent methodologies.**

**Another ingredient of governance would be good law and order. Conflicts and dissensions in a country lead to higher rate of violence, crimes, strikes, which have adverse implications for economic and political stability. The countries which are relatively peaceful and less prone to violence, aggression and instability**

are thought to provide better setting for greater economic development.

Equally crucial ingredient of Good Governance is the optimum balance between economic growth and social justice. In the present age of Liberalization, Privatization and Globalization and with revolutionary advancement in information technology it has become important to implement the policy of e-governance and Social and Environmental Audit.

Larger number of Indians suffers from under-nourishment and deprivation which are closely correlated to socio-economic inequalities. In terms of

**Human Development Index, embracing life expectancy, literacy and living standard, India's ranking is much lower than even that of China, Korea, Mexico and Malaysia. So, the application of John Ruskin's growth theory 'Unto the Last' may be of immense use in reaching out to the poorer section of the society. Ruskin's humanist theory of economics calls for government intervention in the economy to serve values of social justice, of morality, and of higher aesthetics.**

**I would like to quote one of the last notes left behind by Mahatma Gandhi, expressing his deepest**

**thought as a touchstone for our social behavior. It says "Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his own life and destiny? Then you will find your doubts melt away."**

**Despite all the odds, obstacles and shortcomings, the present day scenario on the economic front gives rise to hope. It is noteworthy that India's per capita**

**income has doubled over the past 20 years. With population growth slowing now to about 1.6 per cent per annum, a growth rate of the Gross Domestic Product (GDP) of around 9 per cent per annum would be sufficient to quadruple the per capita income by 2020.**

**Let us also keep in mind that opinions on achievable rates of economic growth have a tendency to swing along with the short-term economic performances. We are aware that two years ago, the global boom, the IT revolution and the all-round optimism, led many to believe that in the coming**

**decade India could mimic the 9-10 per cent growth rates. But such optimism has suddenly gone out of fashion today as the growth rate forecasts are below 8% for this year. But there is ample evidence showing that if we can adopt effective and transparent government systems and take a longer term perspective, that is, not blinded by immediate circumstances and fluctuating moods, higher rates of growth should be achievable for India in the coming years.**

**My feeling is that mere economic growth may not suffice. We need to also learn from the experience of**

**the faltering western economics – including USA and some of the European countries and assess whether our economic priorities area right. Here, present with us, are some of our best brains in the fields of Management and Finance. Shri D.R. Mehta, successfully managed the stock market system in India and is performing path breaking work in the social field, Shri Adarsh Kishore Saxena, who heads a well known Bank now, was a very successful Finance Secretary of our Country and Shri Amitabh Gupta, the former DGP of the State and many more are extending their support to the Management Development**

**Academy. They may be able to throw better light – but I feel that for sustainable development, we will also have to go back to some of our traditional economic practices – the high saving rate and the simpler life style. I hope we can do so.**

**I wish to thank the organizers - The Management Academy - and its Secretary General, Prof. Ramesh Arora - an outstanding teacher of Management Science for inviting me to inaugurate this seminar. You are an outstanding group of eminent citizens of great experiences who are devoted to give a new direction to**

**the Management ethos in our society. My compliments to you for what you are doing.**

**Thank You - Namaskar**