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Dr. Marri Channa Reddy
Human Resource Development
Institute of Telangana

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The views expressed and facts stated in the articles/ papers contained in this volume are of the individual authors and are in no way those of either the Editor or Dr MCR HRD Institute of Telangana.

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Dr. Shashank Goel, IAS
Director General, Dr. MCR HRD Institute
& E.O. Spl. Chief Secretary to Government

From the Director General's Desk

It is with great pleasure that I extend a warm welcome to you to the release of the second volume of our Journal, "SAMRIDDHI".

I am glad to inform you that the inaugural issue of this Journal has been received very well and the articles have been highly appreciated by the readers. The overwhelming response and active participation from administrators, academicians, and researchers through their papers in diverse realms of Administration, Governance, and related fields have played a key role in shaping the success of the inaugural volume of "SAMRIDDHI". I also take this opportunity to extend my heartfelt gratitude to each contributor and reader who has been a part of the "SAMRIDDHI" community.

I am delighted to announce that "SAMRIDDHI" has been allotted ISSN Number. This recognition underscores the Journal's commitment to adhering to high standards of publishing.

We eagerly invite administrators, academicians, and researchers to actively contribute to the upcoming volumes of "SAMRIDDHI". The diverse perspectives and innovative approaches from the contributors will go a long way in making our Journal a trusted source of cutting-edge research and thought leadership in the domain of Administration. Your continued support will be greatly instrumental in making this Journal a vibrant platform for the exchange of ideas and advancement of knowledge.

I look forward to many more volumes of the Journal, filled with insightful contributions.

Dr. Shashank Goel, IAS

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CONTENTS

Local Democratic Institutions and Participatory Budgeting in Tribal Areas in India: Cases of two States

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The Local Democratic Institutions (LDIs) have emerged as key instruments of formulating development plans and budget for promoting economic development and promoting social justice. The process of formulation of budget at the local levels through these institutions has gained significant currency in the context of the enactment of the 73rd Constitutional Amendment Act in 1992. These institutions have been playing a key role in fostering participation of people in the process of preparation of budget as a result of which the budget making has become participatory, deliberative and citizen centric in nature. Further, the Gram Sabhas (Village Assembly) have been institutionalised for enabling participation of people in preparation of budget in the rural areas. The participatory institutional framework and systems such as (i) deepening local democracy (ii) devolving powers to local institutions for formulating budget at their level, and (iii) integrating budget with planning and implementation of development programmes have observed in the recent years of local democratic reforms in India. There have been emerged a systematic approach of few grassroots level practices of budget formulation through local democracy and integration.

This article is a product of research work carried out in tribal areas of two Indian States such as Odisha (located in Eastern) and Maharashtra (located in western parts of India). The key research questions that were designed to address through the paper are (i) How the Gram Panchayats as local institutions have been instrumental in formulating local budget? (ii) How the process of formulation of Budget has been emerged as a system through

Gram Sabhas? (iii) and, what are the important stages and practices the GPs and the Gram Sabhas have followed for making budget participatory? On the basis of qualitative data collected from few Village Panchayats of the States, this article addresses the above mentioned research questions through presenting these issues systematically.

It argues that in the process of preparing budget through planning, the Panchayats and the Gram Sabhas have been pivotal. However, the budget preparation and approvals in some cases have seemed to be cosmetic and far away from the needs and preferences of the citizens. The issues of citizen's participation have not been taken care by the GPs adequately. However, few positive changes have happened in the case of working of the gram panchayats and their role in transforming local economy through budget preparation and implementation. It is on this basis this article argues for creating more space for citizen participation for making budget more participatory and effective integration of budget with macro level planning and budgeting.

Key Words: Participatory Budgeting, Panchayats, Gram Sabhas, Odisha, Maharashtra.

1. Introduction

Understanding the budget preparation practices of the local governments and participation of citizens in this process have emerged as an important area of examining the working of local democratic institutions. The World Bank (2007) noted that participatory budgeting creates opportunities for engaging, educating and empowering citizens which can foster a more vibrant civil society. Considering the case, sequential efforts have been initiated by the social science scholars to examine key aspects of the Participatory Budgeting in and around the Globe. In India, systematic efforts have been initiated by the scholars in recent years to explore various dimensions and trends of with the participatory budgeting and role played by the local democratic institutions for this purpose. The participatory budgeting has emerged as a key component of planning process as it is observed that planning and budgeting are closely connected and budgeting is an important part of the planning process. It is often argued that contemporary socio-economic development process needs adequate financial resources to meet the needs and preferences of the people. The economic development process can be achieved better through local democratic institutions as the process of democratisation is closely linked with the process of socio economic development. For achieving the goals of socio-economic development, the local democratic institutions have to be focused on participatory budgeting as it is believed that participatory budgeting can effectively promote economic development. It is argued that participatory budget has emerged as a type of democratic innovation in the context of a rapidly changing local democratic setup and institutional arrangements. This has made the local democratic institutions as instruments of promoting development through participation and paid more attention on participatory approaches to development such as budgeting and planning.

Recent studies have captured the effects of participatory budgeting on economic development in many ways. Some of these studies have tried to determine their immediate performance and the containment conditions for success or failure. Participatory Budget is believed to lead to a better inclusion of diverse citizens and point of view in policy processes and are said to induce more rational discussions about local development programmes. On the basis of exchange of ideas, sharing of views and indicating preferences, participatory budget creates an avenue for the citizens to participate in the local development plans and programme through local democratic institutions. It addresses the issues of those citizens who feel their participation has not been taken sufficiently into account in local decision making. With the expansion of the limits of democratic participation through the participatory governance, the cases of participatory budget and plan have also been expanded substantially and has been a part of working of participatory governance.

The case of participatory budgeting in India can be traced through the process of democratic decentralisation and formulation of decentralised development plans in rural and urban areas in India. The process of participatory budgeting and plans have been witnessed a transition in the context of constitutional reforms of the 73rd Amendment Act in 1992 (Mohapatra, 2020). The constitutional reforms process has paved the way for the working of Panchayati Raj Institutions (PRIs) and their involvement in the participatory budgeting. As a matter of this, participatory budget as well as plans have received considerable attention in India as it is argued that effective grassroots level plans with budget are key instrument of fostering effective implementation of socio-economic development programmes. At the same time, the process of participatory budgeting has encountered some challenges. Non transfer of adequate powers and resources to meet the budgeting activities and non-transfer of financial powers to implement important activities which are based on needs and preferences of people have made the process of planning and budgeting more cumbersome.

However, in the recent years it has been witnessed that the working of Panchayats in India has brought the formulation of decentralised development plans and budget into forefront and has been a key function of these institutions. Article 243 G of Indian Constitution has made Panchayats responsible for preparation and implementation of plans for economic development and social justice in their jurisdiction. Under this provision, the Gram Sabhas have devolved powers for the formulation of plans and budget for the villages and send these plans to the Gram Panchayats (GPs) for resource allocation and execution (Mohapatra, 2020). The District Planning Committees (DPCs) are institutionalised for preparing the Integrated District Development Plans (IDDP) and budget for implementation of development programs for the districts. If we consider the functions of the PRIs in recent years, a key function has been annual plan formulation and implementation, with an estimated budget for the plan. However how the PRIs have been able to discharge this core activity effectively or how are the state and central governments adequately provided resources to the PRIs for implementing the plans?

Considering these issues, this paper is prepared to examine working of participatory budgeting through exploring the process of the formulation of decentralised development plans and participation of citizens in this process in the states of Odisha and Maharashtra. For understanding the issue more systematically, the case of few selected districts located in these states is examined. The setting of this paper focuses on the (i) institutional arrangements and formulation of participatory budget and plans in the study area, (ii) participation of people in the budgeting and planning process prepared by the Panchayats, (iii) issues discussed in the meetings and discussion on the rural specific development issues in these meetings and (iv) overall implications of the budgeting and planning processes on the process of promoting economic development and social justice. Using the merits of qualitative research method and on the basis of data collected from few citizens through the method of in-depth interaction and discussion, the result of this study demonstrates key trends as well as bottlenecks associated with formulation of participatory budgeting and planning in the states.

Some of the innovative practices associated with this process are also documented through Focus Group Discussion (FGD) and highlighted in this paper. This paper examines the implementation of participatory budget and its effects on the promotion of socio-economic development in the states and proposes few alternative policy mechanisms for strengthening the participatory budgeting in the states. At the end, it is attempted to draw some lessons from the experience of Gram Panchayat Development Plan (GPDP) in the states.

2. Review of Literature

Since last few decades, scholars, practitioners and policy planners have been consistently trying to examine various aspects of participatory budget in India. On this issue, a main aspect has been highlighted by these scholars is to examine involvement of local governances in participatory budgeting. Considering the case of Participatory Budgeting across the globe, many scholars (for example Wampler, 2007; Bartocci et.al.2022) have attempted to explore various dynamics and trends associated with the Participatory Budgeting and their success and failures. It has been argued that different instruments and mechanisms of participatory and deliberative practices add to their bottom up counterparts in evermore budgeting and planning domains. Previous research established the normative and instrumental underpinnings of the evolution of participatory budget and its journey from the micro to macro level. With the increasing importance of the participatory democratic governance across the globe, a significant attention has been paid by the scholars and practitioners to discuss various types of innovative practices in participatory budgets such as collaborative approach, citizen initiatives and other aspects of participatory practices. Meanwhile attention has been grown to document the practices of participatory budgeting and how (and with what contingencies) they affect the citizen's participation in the local democratic system. Further in what ways the participatory budgeting can become an insular phenomenon in fostering the local economic development.

Conceptualising participatory budgeting, Wampler (2007) noted that participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. Participatory budgeting also helps promote transparency, which has the potential to reduce government inefficiencies and corruption. However, it has also been noted by some scholars that despite of being an instrument of democratic systematisation, evidence on working of participatory budgeting remains relatively scarce and scattered at the local level. Insights need more systematization and integration. It is aimed to make participatory budgeting process more sustainable through maintaining positive and avoiding negative effects, learning from and elaborating upon experiments, recalibrating the position of key stakeholders at various levels of participation and systemic change. On this basis, some scholars have proposed alternative approaches to make participatory budgeting as important and inseparable part of participatory governance system and institutions. It has also been attempted to examine the important pathways through which the budget can become participatory (Barcocci et. Al. 2022).

India has been witnessing the evolution and institutionalisation of participatory budgeting and planning in the dawn of implementation of the constitutional reforms based on the provisions of the 73rd Amendment Act. This constitutional provision has made the case of formulation of decentralised development plans and budget as important instruments of promoting economic development and social justice as it is argued that effective grassroots level plans and budgets are key instruments of fostering effective implementation of socio-economic development programmes. The District Planning Committees (DPCs) are institutionalised for preparing the integrated district development plans and budget for implementation of development programs at the district level and below (Mohapatra, 2020). The case of people’s planning programme launched in 1997 in Kerala, heralded a new approach towards development planning and participation of people in development programmes (Mohankumar,2002) can be considered as beginning phase of participatory planning and budgeting in India.

Considering the working of the PRIs in India, many scholars (for example Mahipal (2001) Aiyar, 2010, Mohapatra, 2020, Ramaiah & Mohapatra, 2021) have attempted to shed light on various aspects of planning and budgeting and observed that the amendment provisions have opened up space and sites for direct citizen participation in the process of rural democratisation through planning and budgeting. The results of these works have argued for the effective formulation of decentralised planning and budgeting through (i) effective participation of people in the planning process and (ii) effective implementation of these plans and budgets (Mohapatra, 2020). It is also essential to strengthen the planning machinery at different tiers of Panchayats, integration of rural and urban areas at sub-district level, adequate administrative infrastructure at the decentralised level, people's participation and development which have been over-due in the sphere of decentralised governance, planning and budgeting (Mahipal, 2001). However, these studies have overemphasised the merits of decentralised planning which was the infant stage and projected as an institutional charge required to solve the economic backwardness of rural areas in Indian (Mohapatra, 2020; Prakash, 2022) The merits and demerits of participatory budgeting are pointed out in the studies carried out by various scholars though the issues of budgeting have received scant attention. In the case of Odisha and Maharashtra, similar attempts have been made, though the issues of budgeting have not received adequate attention.

The overall results of review of literature pertaining to this subject enumerates a number of issues which are associated with participatory budget and role of participatory democratic institutions or Panchayats for institutionalisation and implementation of participatory budgeting as a key component of promoting economic development. However, less attention has been paid to examine this process through undertaking micro level studies. Since many of the studies have been carried out at the macro level, this paper has taken a different stance through attempting to focus on micro scenario. Considering this, in this paper, it is attempted to address few broad research issues such as (i) how participatory budget has been a part of planning process of the PRIs, (ii) how the participatory budgeting implemented in Odisha and Maharashtra? and (iii) what are the key determinates that lead to participation of people in planning and budgeting in the states. It is also attempted to examine evolution of participatory budgeting in two states with a special focus on institutional mechanism that carries the participatory budgeting. Focusing on the normative and instrumental underpinnings, a systematic review of the working of participatory budgeting has been done through case study of Odisha and Maharashtra.

In the next sections, the data collected from the two states has been presented and the important issues are highlighted to address the research questions. And in the conclusion section, the findings of the study have been summarised and arguments have been provided on the basis of issues raised and discussed.

3. Objectives and Methods

A key objective of this article is to explore the cases of participatory budgeting in India from an economic development and social justice perspective with emphasising the aspects of institutional arrangement, participation of citizens and the participatory practices exhibited at the grassroots considering the cases of two Indian States-Odisha and Maharashtra. Contextualising the role of participatory institutions as linchpin of making participatory budget effective, it is designed to explore how participatory budget is interrelated rather than isolated with the local level planning process otherwise known as the decentralised planning. This article, viewing this broad objective, has taken a different stance through connecting participatory system related research questions with the implementations of the participatory budgeting and by doing so highlighted how participatory budgeting are embedded rather than isolated from the local democratic system. It is attempted to focus that budgeting through participatory approaches can influence the working of the local democratic institutions in a pro-citizen direction. It shows that participation through budgeting can influence the trust level among citizens and enhance the likelihood of effective delivery of goods and services as important component of economic development and social justice.

The article uses the merits of the sequential qualitative research design through following few qualitative techniques such as in depth interactions and FGDs. The data comes from a field based in-depth interactions conducted with citizens in Odisha and Maharashtra, two important states located on the East Coast and West Coast of India. The method we used for this article is qualitative method, and the article is a part of two separate research studies conducted in the state of Odisha and Maharashtra in different times. For gathering data from the states, in depth interactions were organised with 300 citizens in 27 villages in 16 GPs of the states and based on this, the article is organised and results presented through analysing the data.

4. Data and Materials

Considering the working of the Panchayats in the states of Odisha and Maharashtra, as well as the objectives of the study, it was designed to cover two states (Table-1) through the process of primary and secondary survey method. As per this, a multi-stage sampling technique was applied for selecting the key study units such as the states, districts, Blocks, GPs and Villages. As a part of this technique, from both the states, four districts (two from each state), eight blocks (two blocks from each district), 16 GPs (two GPs from each Block) and 27 villages and 300 persons were selected applying the multi-stage random sampling technique. 300 people from the districts were surveyed through a semi-structured questionnaire covering important aspects of the participatory budget and planning. FGDs and in-depth interviews were conducted with various categories of respondents (PRI Members, Functionaries and knowledgeable persons of the villages) as a part of collecting qualitative data. Table-1 presents the status of the villages and citizens covered through process of data collection in states.

Table-1; Coverage of units through the field survey

State	Districts	Blocks	Panchayat	Villages	Respondents
Odisha	2	4	8	12	150
Maharashtra	2	4	8	15	150
Total	**4**	**8**	**16**	**27**	**300**

Source; Field Survey

Table 2 presents the distribution of respondents as per their gender identity in the states. It shows that more female than male respondents were covered through this study though the study was not meant for covering more females than males through the process of data collection. It indicates that at the aggregate level, 49 percent male respondences and 51 percent female respondences were covered. State wise distribution indicates that in the case of Odisha 52 percent male and from the state of Maharashtra 46 percent male respondences covered as a part of this study. However, distribution of respondences as male and female helped determine the responses of the citizens as per their gender distribution.

Table-2; Gender Distribution of the Respondents

State	Male	Female	Total
Odisha	78	72	150
	52%	48%	100%
Maharashtra	69	81	150
	46%	54%	100%
Total	**147**	**153**	**300**
	49%	**51%**	**100%**

Source; Field Survey

5. Results and Discussion

The issues discussed in this paper indicate various aspects of participatory budgeting, through planning process which have been carried out by PRIs in the states of Odisha and Maharashtra. The State Government of these states have devolved various powers and responsibilities to the PRIs for formulation of annual plan and budget for the effective implementation of development programmes. However, the PRIs have also faced certain barriers in the case of formulation and implementation of plan and budget. For understanding the overall progress and achievements in working of participatory budget, it was attempted to focus on few specific issue such as (i) how participatory budget has been a part of planning process of the PRIs, (ii) how the participatory budgeting implemented in Odisha and Maharashtra? and (iii) what are the key determinates that lead to participation of people in planning and budgeting in the states? On the basis of these three broad issues, the analysis of the paper presented below. And key issues emerged from the analysis are presented in conclusion section.

5.1 A brief profile of the states: Table 3 presents the profile of Odisha and Maharashtra. Odisha, which is located in the eastern part in India has been emerged as a pioneer state in the case of participatory budgeting through PRIs. As far as the key socio-economic features are concerned, the state has poverty rate of 29.35 percent. The level of literacy rate as per 2011 census indicates that female literacy still low than the male literacy which is only 64.01

percent. Similarly in the case of Maharashtra, poverty rate still remains at 17 percent of the state's total population. However as far as the literacy of the state is concerned female literacy is lower (75.87 percent) than the male literacy rate (88.38 percent).

Table-3; A Brief overview of Odisha and Maharashtra

States	Particulars					
	Area	Population		Literacy		Poverty
		Male	Female	Male	Female	
Odisha	155707	21212136	20762082	81.59	64.01	29.35%
Maharashtra	308000	58243000	54131000	88.38	75.87	17.00%

Source: Economic Survey Reports, Odisha and Maharashtra, 2021

5.2 Institutional Arrangements of Panchayats in States

The process of formulation of decentralised development plans and budget in the districts can be termed as outcome of the institutional arrangement and working of Panchayats in these areas during the post 73rd amendment era. The Panchayats during this era have emerged as key institutions of preparing budget and plans at the village level. The institutional arrangement reveals that the Panchayats (Gram Panchayats) and the Gram Sabhas are directly involved in the budgeting process. The Gram Sabhas have been playing an important role towards this process. They have been playing a key role in identifying beneficiaries for various development programmes, identifying worksites for various projects and preparing and approving plan and budget at the village level. The Gram Sabhas have been important space and sites for the people, in particular to ensure their participation in the process of decision making and planning for implementation of development programmes. Such process has resulted in the institutional arrangement of budgeting through decentralised planning in the districts.

Table 4 presents the overall position of the PRIs in the states vis-a-vis villages under the PRIs. It shows that the number of villages under a gram panchayat is more in Odisha than in Maharashtra. More villages under a GP is always a challenge to maintain equity through planning and budgeting.

Profile of the PRIs in the States

States	Particulars				
	Districts Panchayats	**Blocks/Intermediate Panchayats**	**Village Panchayats**	**Villages**	**Villages per GP**
Odisha	30	314	6798	51349	7.55
Maharashtra	34	351	27832	41665	1.49

Source: Economic Survey Reports, Odisha and Maharashtra, 2021

5.3. Participatory Budget in the States: From Evolution to Working

Participatory budget helps improve state performance through a series of institutional rules that conserve and check the prerogatives of the municipal government while creating increased opportunities for citizens to engage in public policy debates (the World Bank 2007). In the case of Odisha and Maharashtra, the journey of participatory budget is closely associated with the evolution, institutional arrangements and working of the Local Governments (PRIs and Urban Local Bodies) in the states. In the aftermath of the 73rd Constitutional amendment in 1992, the process of participatory budgeting gained momentum. As the Constitutional amendment empowered the Gram Panchayats and the Gram Sabha for the preparation of plans and budget at the local levels, it is on this basis the process had been started in two states which currently has been a system with the working of the PRIs in the states. With the expansion of the service delivery role of the PRIs, the process has been an important aspect of the service delivery system. In the recent years, with the implementation of various schemes and programmes of the sub-national and national governments, the significance of the planning and budgeting has increased which can be seen from the case of GPDP initiatives of the central government. This has also been observed in the case of two states as per data presented in Table 5.

5.4 Planning and Budgeting-the case of Gram Panchayat Development Plan: The Central Government under the Fourteenth Finance Commission (FFC) award period has issued guidelines for formulation of Gram Panchayat Development Plan (GPDP) in all GPs including the GPs in the states. The GPDP process was aimed at understanding the need and priorities of the people and prepare a comprehensive plan with budget accordingly. Table 5 presents the status of GPDP in the states. It shows in the case of both states the cases of GPDP increased till 2017-18. It indicates that the cases of GPDP increased from 2015-16 to 2017-18 in the states. However, the years of 2018-19 and 2019-20 which are the end years of the implementation of the Fourteenth Finance Commission (FFC) grants, it seems that there are some deviations in preparing GPDP in the states. The case of Odisha shows a complete deviation of GPDP either operational reasons or incomplete data presented by the government.

Table-5; Gram Panchayat Development Plans vis-à-vis Budget in the States

Sl.No	States	Plans Prepared				
		2015-16	2016-17	2017-18	2018-19	2019-20
1	Odisha	6212	6284	6793	5985	120
2	Maharashtra	1002	27824	27813	26669	26497

Source; Ministry of Panchayati Raj, Government of India, 2019.

5.5. Participation of citizens in Planning and Budget: A key aspect of understanding working of participatory budget under the guise of decentralised governing institutions of the PRIs is highlighting on the nature and extent of citizens' participation in this process. As it is argued that participatory budgeting can create an avenue for citizens' participation through exchange of ideas, sharing of views and indicating preferences so it is important to understand those issues against the backdrop of our data. Our data presented in Table 6 highlights the level (or extent) of participation of people and the key aspects of these participation. It shows that, participation of woman remains low in the case of planning and preparation of budget. However as far as participation through exchange of ideas, sharing of views and indicating preferences are concerned, our interactions with citizens revealed that in many cases the citizens have shared their ideas, preferences and views about the activities to be undertaken with the estimated budget for these activities. Further data presented in Table 7 discusses nature and extent of participation of citizens in the PRIs. It shows that participation as practice has been missed its objective due to discontinued participation.

Table-6; Participation of Citizen's in Budget Making

Respondents	Odisha			Maharashtra			Overall		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
Male	47	31	78	36	33	69	83	64	147
	60.26	39.74	100.0	52.17	47.83	100.0	56.46	43.54	100.0
Female	41	31	72	40	41	81	81	72	152
	56.94	43.06	100.0	49.38	50.62	100.0	53.29	46.71	100.0
Total	88	62	150	76	74	150	164	136	300
	58.67	41.33	100.0	50.67	49.33	100.0	54.67	45.33	100.0

Source: Field Survey

Table-7; Nature and extent of participation of citizens in budgeting. N=164

Number of times citizen participated	Odisha		Maharashtra	
	Number	Percentage	Number	Percentage
Once	57	64.77	36	48.64
Twice	19	21.59	23	31.08
Three times	9	10.22	8	10.38
More than three times	1	1.13	3	4.05
No response	2	2.27	4	5.40
Total	**88**	**100.0**	**74**	**100.0**

Source: Field Survey

5.6. Implementation of Participatory Budget

Understanding the process of implementation of budget is an important aspect of examining the success and failures. The case of two states shows that in both states the process of implementation has passed through certain stages which can be called as the process of integration approaches and allocation of resources for the budgeting activities. The process of utilisation of funds comes at the last stage of participatory budgeting. However, in the case of two states, many of the budgeting activities have not been implemented effectively and sincerely. Further in some cases citizens are also unaware about the actual allocation of funds for the planned and budgeted activities and the people or the institutions involved in the process of implementation.

6. Conclusion

To understand the normative and instrumental underpinnings of the evolution of participatory budgets and how participatory budget affects the level of participation of citizens in the local democratic system, systematic study was carried out in the case of Odisha and Maharashtra and role of PRIs towards this end. For this, an intensive and in depth interactions were carried out with the citizens to document their views and experiences with regard to the participatory budgeting.

Against this purpose, the results show that participation through budgeting can influence citizens' perceived trust among Local Government or PRIs. Secondly, the results show that participatory budgeting can create important spaces and sites for citizens to provide original ideas and deliberation while also having an agenda setting function. Thirdly, the results suggest that long term institutional change is important for the effective implementation of the participatory budget that may create a situation in which politicians may be able to perceive their organization and need of the organisation with regard to welfare functions are concerned. With these observations, this article suggests effective interactions between citizens and PRIs for making participatory budget effective.

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Navigating the Gig Economy: Striking the Balance between Empowerment and Security

Dr. Vikas Singh
senior economist, columnist and author

India's booming gig economy, with its estimated 50 million workers by 2030, presents both opportunities and challenges. While it offers flexibility and autonomy, it also raises concerns about precarity and lack of social security. The gig economy attracts millennials with its flexible schedules and focus on skills over traditional qualifications. Challenges include unstable income, lack of benefits, and precarious work conditions. Businesses benefit from the gig economy's flexibility but have a responsibility to support workers with fair compensation, training, and a sense of belonging. Policymakers need to adapt labor laws and social safety nets to encompass the gig economy and protect workers' rights. Ethical considerations are crucial, particularly regarding algorithmic decision-making and data privacy. Collaboration between policymakers, corporations, and workers is essential for a thriving and equitable gig economy. Overall, the gig economy holds potential for positive change, but careful nurturing is needed to ensure it benefits all participants.

India stands at the cusp of a gig economy revolution, with several projections anticipating a staggering 50 million gig workers by 2030. In the bustling streets of India, the thriving gig economy has burgeoned with millions of delivery boys and blue-collar workers. In this dynamic environment, this intricate dance between recognition and commitment is particularly crucial. It is reshaping the conventional 9-to-5 work structure and offering an escape from the rigidity of traditional employment arrangements.

A critical examination of their working conditions reveals a dynamic workforce poised at the intersection of opportunity and challenges.

The gig economy not only holds the promise of economic growth but also unveils pressing issues that demand immediate attention and thoughtful solutions. It has emerged as a symbol of both individual empowerment, equally a source of uncertainty for those seeking alternative employment models.

Today they number 10 million and less than a third of the total workforce.

The Symphony of Autonomy and the Power of Specialization

With the allure of flexible schedules, self-direction, and a diverse range of tasks, the gig economy has drawn a significant number into its dynamic fold. The gig economy resonates particularly with a millennial cohort that values skills over traditional qualifications.

For these torchbearers of competency, the gig economy provides an alluring pathway to income generation. Autonomy is a cornerstone of gig work, allowing individuals the freedom to set their own hours, choose projects aligned with their skills and interests, and work from the comfort of their homes. This level of control over one's work is a compelling factor that draws many into the gig economy.

Moreover, gig work represents an escape from the monotonous office routine, especially valued by millennials seeking a seamless blend of work and personal life. The 9-to-5 office grind, with its strict temporal constraints and daily commute, no longer holds the same appeal. Gig workers relish the freedom to choose where they work, be it a cozy cafe, a home office, or even while traveling, aligning with the desire for a balanced and fulfilling lifestyle.

The gig economy's emphasis on specialization over formal qualifications is another game-changer. Degrees and certifications are prerequisites in traditional employment, but in the gig economy, competencies in a particular field take precedence. This shift democratizes opportunities, allowing individuals to showcase their skills irrespective of their educational background.

Challenges of Benefits, Perils of Precarity

Beneath the glossy exterior of the gig economy lie inherent challenges. The absence of safeguards, such as minimum wages and employment benefits, leaves gig workers financially vulnerable. Many are compelled to lower their rates in a desperate scramble for assignments, triggering a dangerous race to the bottom. It jeopardizes the quality of their work.

Amid the cloak of independence, the issue of unstable income emerges, as gig workers often grapple with inconsistent compensation and inadequate coverage, forfeiting traditional employment perks like medical insurance and pension plans. This, in turn, erodes the long-term financial security of gig workers.

The responsibility for financial planning, including taxes and savings, rests squarely on their shoulders. The burden of procuring work-related equipment and managing fiscal obligations further exacerbates the strain on an already tumultuous existence.

Another critical challenge faced by gig workers is the precarious nature of their income. Unlike traditional employment with a steady paycheque, gig workers often experience income fluctuations, making it challenging to maintain financial stability and plan for the future. The absence of health insurance and retirement plans adds to the concerns, leaving gig workers vulnerable to medical expenses and the responsibility of saving for their own retirement, especially with irregular income.

Force for Positive Change and a Partnership for Success

For businesses, the gig economy represents an opportunity to tap into a diverse pool of specialized talent without the long-term commitment of traditional employment. This flexibility allows companies to adapt quickly to changing market demands, bringing in experts on a project-by-project basis. However, it also means that the loyalty and commitment of gig workers may be fleeting.

Businesses, as prime beneficiaries of this agile and cost-effective workforce, have a crucial role to play in supporting gig workers. This includes offering fair compensation, providing access to training and skill development opportunities, and fostering a sense of belonging and purpose among gig workers. Clear expectations, fair compensation, and opportunities for professional growth will foster long-term relationships, contributing to a more equitable gig economy.

A Call for Comprehensive Reform

In the midst of seismic shifts in the labor landscape, the gig economy has commandeered center stage, evoking meticulous scrutiny of its ramifications. While misclassification remains a concern, the pressing urgency lies in the pervasive tide of job displacement sweeping through the Indian economy. This conundrum presents an unparalleled window of opportunity for policymakers to transcend the orthodox dichotomy of contractors versus employees and institute an encompassing, fortified social safety network that caters to a diverse array of workforce classifications.

The role of policymakers assumes paramount significance and must both pre-empt and respond with a range of reforms. A holistic approach, diverging from the conventional contractor-employee classifications, becomes imperative in a landscape marked by burgeoning job displacement.

This includes the establishment of a comprehensive social safety net that provides gig workers with access to benefits like health insurance and retirement plans. Similarly, a rethink tax policies to ensure that gig workers are not burdened with excessive tax obligations. Additionally, efforts should be made to create a more stable income environment for gig workers by discouraging the race-to-the-bottom mentality that often leads to lower wages.

The "Code on Social Security" (2020) marks a laudable stride, stipulating gig employers' contributions to a Social Security Fund governed by a government-appointed board.

Gig Economy will Impact Traditional Labour Laws and Unions

The rise of the gig economy has significant implications for traditional labour laws and unions too. It induces new challenges and provides opportunities that require careful consideration and adaptation. Its impact on traditional labor laws and unions is transformative. Adapting regulatory frameworks to balance flexibility and protections, addressing the challenges of collective bargaining, and exploring new models of representation are key steps in ensuring that the evolving world of work remains fair, just, and supportive of workers' rights and well-being.

- Flexibility vs. Protections: Traditional labour laws are designed to protect employees with rights and benefits, such as minimum wage, overtime pay, and access to social security. In the gig economy, workers often enjoy flexibility but may lack these traditional protections. Adapting labour laws to accommodate the evolving nature of work, ensuring fair compensation and basic rights, poses a challenge.

- Classification of Workers: The gig economy blurs the lines between independent contractors and traditional employees. Determining the employment status of gig workers becomes crucial, as it directly impacts the applicability of labour laws. Striking a balance between recognizing the unique aspects of gig work and ensuring adequate protections is a delicate task.
- Unionization: Challenges to Collective Bargaining: The gig economy's decentralized and often transient nature makes traditional collective bargaining challenging. Gig workers, scattered across various platforms, lack a centralized workplace, making it difficult for unions to negotiate on their behalf. Adapting union strategies to effectively represent and advocate for the interests of gig workers becomes essential.
- Emergence of New Forms of Representation: Gig workers, facing unique challenges, may seek alternative forms of representation. While traditional unions play a role, there is a potential for the development of new, platform-specific associations or advocacy groups that focus on the specific needs of gig workers. These entities could negotiate with platforms on issues like pay, working conditions, and algorithmic transparency.
- Social Safety Nets: Access to Benefits: Traditional employment often comes with benefits like health insurance, retirement plans, and paid leave. Gig workers, classified as independent contractors, typically lack these benefits. Adapting labour laws to ensure gig workers have access to social safety nets without compromising the flexibility they value is a critical consideration.
- Innovation in Social Protections: The gig economy challenges the traditional employer-employee model, prompting discussions on innovative social protection mechanisms. Policymakers may explore portable benefits that accompany workers across multiple gigs or platforms, providing a safety net that aligns with the dynamic nature of gig work.

India boasts an array of meticulously thought-out social security policies tailored for underserved segments. By fine-tuning these policies, gig workers could access the benefits they deserve. To fully embrace the gig economy's potential, existing social security systems must undergo recalibration to incorporate gig workers. Reappraising eligibility criteria within schemes like PM-Jan Arogya Yojana and expansively revising the PM Shram Yogi Maan-dhan scheme through income threshold revision promises coverage where it's most needed. This reconfiguration should harmonize with innovative mechanisms that weave a symbiotic relationship between corporate and policymaker.

Compensation and Culture of Inclusion

Notably, businesses, too, have a critical role to play in ensuring the success and sustainability of the gig economy. They are themselves prime beneficiaries of this agile and cost-effective workforce, ought to provide robust support. Characterizing gig workers as self-employed or independent contractors might fall short.

First and foremost, businesses should create a culture of inclusion that embraces gig workers as integral members of the team. When gig workers feel valued and included, they are more likely to be committed and loyal. This sense of belonging can lead to higher-quality work and long-term partnerships.

Fair compensation is another crucial factor. While the gig economy offers flexibility, it should not come at the cost of fair wages. Companies must ensure that gig workers are paid competitively for their skills and contributions. Additionally, offering benefits such as health insurance, retirement plans, and paid time off can make gig work more attractive and financially sustainable.

Universalizing the practice of on-the-job accident insurance, presently offered by select corporations, emerges as a pressing need. Similarly, the contemporary trend of enlisting third-party insurers to furnish health coverage on a subscription basis warrants evolution into a holistic, budget-friendly coverage tailored to the specific exigencies of gig workers.

Investing in the skill development of gig workers is a win-win proposition. Companies benefit from a more skilled and capable workforce, while gig workers gain access to opportunities for professional growth. Offering training and development programs can enhance the skills of gig workers and make them more valuable assets to businesses.

Building loyalty and commitment among gig workers extends beyond financial incentives; it is a nuanced interplay that involves providing a profound sense of purpose and recognition. Recognizing the invaluable contributions of gig workers, whether through accolades, awards, or public acknowledgments, serves as a catalyst for fostering a stronger sense of commitment and partnership.

Blue collar. Roles : An Opportunity for Economic Empowerment

For individuals who find themselves in blue-collar roles, it is often not a matter of choice but rather a second opportunity for economic empowerment. These individuals face challenges in securing a conventional job that provides fair compensation. Even those fortunate enough to have steady employment often experience exploitation and a lack of dignity. Alarmingly, over half of these workers earn less than the per capita income.

While their pivotal role in the gig economy actively reshapes the economic landscape, the challenges they encounter underscore the critical necessity for robust and comprehensive support structures As we navigate the labyrinth of complexities inherent in this dynamic workforce, the essence of recognizing their contributions becomes even more profound.

Recognizing the pivotal role fulfilled by blue-collar workers in the gig economy not only affirms their significance but also contributes to cultivating a more inclusive and supportive environment. This acknowledgment serves as a cornerstone for instilling a sense of purpose among these workers, fostering a deeper commitment to their roles, and nurturing a collaborative partnership that transcends the transactional nature of gig work.

- Skill Development and Training Programs: At the forefront of addressing these concerns is the urgent need for government-sponsored skill development and training programs tailored explicitly for gig workers. By investing in such initiatives, policymakers can empower workers to enhance their skills, rendering them more employable across diverse sectors. These programs should be designed to cater to the evolving demands of the job market, providing workers with the tools they need to navigate an ever-changing landscape.
- Social Security Nets: To ensure the well-being of gig workers and their families, the implementation of comprehensive social security measures is paramount. Health

insurance, accident coverage, and retirement benefits must be extended to gig workers, offering a safety net that alleviates the vulnerabilities associated with precarious employment. Recognizing the gig economy's contribution to the broader economic landscape should translate into tangible protections for those on the front lines.

- Fair Wage Regulations: Fair and transparent wage regulations form the bedrock of a sustainable gig economy. Addressing concerns about variable pay and establishing minimum wage standards are crucial steps in ensuring that gig workers receive compensation commensurate with their efforts. By fostering an environment where workers are fairly compensated, the government can mitigate the economic uncertainties that often accompany gig work.
- Worker Rights and Protections: To safeguard the rights of gig workers, a robust legal framework is indispensable. Stronger measures are needed to prevent exploitation, ensure reasonable working hours, and provide effective avenues for dispute resolution. These protections are vital in fostering a sense of security among gig workers, encouraging them to contribute meaningfully to the economy without fear of unfair treatment.
- Access to Financial Services: Empowering gig workers economically requires providing them with easier access to financial services. Initiatives such as credit facilities and banking tailored to the needs of gig workers can uplift them from financial insecurity, contributing to overall financial inclusion. This not only benefits the workers but also strengthens the economic fabric of the nation.
- Technology Integration for Skill Enhancement: As technology continues to reshape industries, gig workers must stay abreast of these changes. The integration of technology platforms for skill enhancement becomes essential. Online courses and training modules can bridge the gap between traditional and emerging skills, ensuring that gig workers remain relevant in an increasingly digitized job market.
- Collaboration with Platforms and Companies: Collaboration between government and gig economy platforms is instrumental in creating an inclusive and supportive working environment. Setting ethical standards, ensuring fair practices, and

promoting responsible business conduct are shared responsibilities that can lead to a symbiotic relationship, benefiting both workers and the companies that rely on their services.

- Entrepreneurial Opportunities: Beyond being workers, gig economy participants can also be entrepreneurs. Initiatives supporting the entrepreneurial spirit among gig workers can include providing resources and mentorship for starting small businesses or ventures. Fostering innovation and economic independence among gig workers not only diversifies their sources of income but also contributes to a more resilient and vibrant economy.
- Community Engagement and Awareness: Community engagement and awareness initiatives are essential components of a thriving gig economy. Education campaigns targeted at both gig workers and the general public can shed light on the challenges and opportunities within the gig economy. Fostering a sense of solidarity and understanding is crucial for building a cohesive and supportive community around gig work.
- Data Protection and Privacy: Given the significant role of technology in the gig economy, robust data protection and privacy regulations are imperative. Safeguarding the personal information of gig workers is not only an ethical imperative but also a necessity for maintaining trust in the digital platforms that facilitate gig work. Striking the right balance between technological innovation and privacy safeguards is essential for the sustained growth of the gig economy.

The Ethical Implications

The rise of the gig economy has ushered in a new era of work characterized by flexibility and autonomy, but it has also brought forth a myriad of ethical implications, particularly in the deployment of algorithms and data to manage and monitor workers. The use of these technologies has raised concerns about privacy, fairness, and the overall well-being of individuals engaged in gig work.

Algorithms play a pivotal role in matching gig workers with tasks and determining their pay, but the opacity of these algorithms can lead to potential biases. The lack of transparency raises questions about how decisions are made, potentially perpetuating discrimination based on factors such as gender, race, or socioeconomic status. As a result, there is a risk of exacerbating existing inequalities in the workforce.

The constant monitoring of gig workers through data collection tools can also infringe upon their privacy. From tracking location data to evaluating performance metrics, the level of surveillance can create a sense of intrusion and compromise personal autonomy. Moreover, the data collected may be susceptible to misuse, raising concerns about data security and the potential for exploitation.

Another ethical dilemma arises from the precarious nature of gig work. Workers often lack traditional employment benefits such as healthcare, paid leave, and retirement plans. The reliance on algorithmic decision-making to allocate tasks and set wages may contribute to the vulnerability of workers, making it challenging for them to advocate for fair compensation and better working conditions.

In response to these concerns, there is a growing call for ethical guidelines and regulations to govern the gig economy. Striking a balance between the benefits of flexibility and the need to protect workers' rights is essential. Implementing transparent algorithms, safeguarding data privacy, and ensuring fair compensation are critical steps in addressing the ethical implications of the gig economy. As the workforce landscape continues to evolve, it is imperative to prioritize ethical considerations to create an environment that promotes fairness, dignity, and respect for all gig workers.

The Gig Economy's Harmonious Duet

As the gig economy's crescendo resounds, it is incumbent upon stakeholders to orchestrate a harmonious duet—merging empowerment and security seamlessly. India's gig economy, in its ascent, invites a collaborative interplay among policymakers, corporations, and workers. Juggling autonomy and safeguards, fostering transparent dialogues, and erecting standardized protections coalesce into a recipe for the gig economy's flourishing. The true essence of the gig economy unfolds not only in empowerment but also in its alignment with worker security. A vibrant, thriving gig economy is one where both aspects meld, crafting a blueprint for a future of work that's equitable, sustainable, and holistic.

The Future of Work: Paving the Path to Workers' Well-being

The gig economy in India is set for continued growth, driven by rising digital literacy, smartphone penetration, and technology democratization. With a tech-savvy, youthful population, the country is fertile ground for expanding gig platforms. The pandemic has accelerated remote work adoption, diversifying the gig landscape.

While ride-hailing and delivery services dominate, there is a shift towards skilled freelance work in software development, graphic design, and digital marketing. As technology evolves, new niches may emerge, offering opportunities for specialized gig roles.

Challenges persist, including the need for regulatory frameworks addressing worker rights, social security, and fair wages. Balancing gig work flexibility with worker protection is crucial. The government's role in formulating policies safeguarding gig workers' interests while fostering innovation is pivotal.

Advancements in artificial intelligence and automation may reshape the gig landscape, necessitating upskilling for gig workers to stay relevant.

Potential to be a Force for Positive Change. But Requires Careful Nurturing

India's gig economy, driven by technological advancements and socio-economic dynamics, holds promise and challenges. It has witnessed rapid growth, encompassing ride-hailing, IT, content creation, and delivery services. To be a force for positive change, the gig economy requires careful nurturing and ensuring equitable benefits for all participants.

The gig economy is not just a trend but a fundamental shift in how we work and live. A reimagined gig economy, symbolizing tenacious adaptation, could offer India's gig workers a brighter, more secure future. Policymakers play a crucial role in envisioning and executing holistic policies, requiring adaptation, innovation, and collaboration between corporations and policymakers.

Emphasizing a comprehensive safety net is pivotal for cementing the gig model and extending its gains into a robust social safety net. Encouragingly, both government and industry signals indicate a willingness to participate in dialogues supporting portable benefits.

As we navigate this new economic paradigm, thoughtful policy adaptation and a nurturing ecosystem can pave the way for a resilient and thriving gig economy in India. Balancing empowerment and security are the key to harnessing its full potential for the benefit of all.

PPP is the Right Path for National Infrastructure Pipeline

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(Views are personal)

The economic growth path of India needs implementation of numerous infrastructure projects. National Infrastructure Pipeline is a right initiative to integrate the needs, planning, funding, and implementation of infrastructure projects. The key to achieve timely success of NIP is adopting Public Private Partnership models. Implementation of PPP models requires policy support and capacity building. In this article, Dr. Kishore Nuthalapati discusses about the significance of infrastructure, NIP projects and volumes, and the prerequisites to enhance success in PPP implementations.

Infrastructure may not be the basis to categorize an economy between developed or developing, but developed economies have strikingly better infrastructure than developing economies. Infrastructure involves technology, improvement, connectivity, and asset creation. Better infrastructure facilitates higher standards of life. Infrastructure precedes development. Infrastructure permeates all sectors without exception. Proper infrastructure can avoid lopsided developments. Global supply chains became imminent and cross border trade needs infrastructure development not only in developed economies but also in developing economies. This phenomenon may not eradicate, but broadly will either contain or reduce the gap between the developed and developing economies.

Infrastructure sectors & sub-sectors:

Infrastructure includes roads, bridges, dams, railways, viaducts, aqueducts, power plants, seaports, airports, buildings, and several other structures. Roadways, airports, seaports, waterways, etc., are transportation infrastructure. Power plants, transmission and distribution, water, gas, telecom, etc., are utilities infrastructure. Oil & gas, coal, metals, minerals, etc., are extraction infrastructure. Hospitals, schools, public buildings, etc, are social infrastructure.

Industrial parks, sewerage treatment plants, effluent treatment plants, solid waste management plants, etc., are industrial infrastructure.

Global investments in infrastructure:

Despite this significance, as per certain estimates, the global investment in infrastructure is expected to be about $79 trillion from year 2007 through 2040 while the required investment is of $94 trillion which projected the gap as $15 trillion. Of the above, until year 2023, the expected investment flows are about $37.92 trillion against requirement of $43.06 trillion with a gap of $5.14 trillion. Going by the current trend the total expected investment flows into the infrastructure by year 2040 would stand at $97.09 trillion against requirement of $115.50 trillion accumulating gap of $18.41 trillion.

Contribution from infrastructure:

Without going into the dissection of the global requirements and commitments of investments in infrastructure, the case of India is same that it needs to augment its infrastructure multi-fold. For India is a developing economy, adequate infrastructure improves the efficiency and productivity of industries by reducing transportation costs and providing better access to markets. As a result, businesses are more likely to invest in the country, leading to job creation and increased economic growth. Investment in public infrastructure improves access to education, healthcare, and other essential services, as well as provide opportunities for entrepreneurship and business development. Infrastructure projects can attract more foreign investment, and the domestic businesses can compete more effectively. Investment in infrastructure can also contribute to sustainable development by promoting the use of clean and renewable energy, reducing greenhouse gas emissions, and mitigating the impact of climate change. Infrastructure creates employment opportunities, boosts productivity, and supports sustainable economic growth.

An infrastructure project is usually undertaken to cater to three requirements. First, to address the existing gaps exemplified by projects such as flyovers, underpasses, or foot-over bridges. Second, to address not only existing gaps but also future needs exemplified by projects such as power plants, waste management plants, etc. Third, is to foresee future needs and create infrastructure for progressive needs and these are exemplified by projects such as new greenfield airports and greenfield highways.

India’s case in infrastructure:

Despite being a capital starved economy, India has been investing on infrastructure for several decades. The erstwhile five-year plans, several project-specific plans, fiscal budgets, and regional development programs entailed many investments in infrastructure. However, most of them lacked sufficient integration, consolidation, long-term planning, and coordinated approach. Whether an infrastructure project addresses existing gaps or future gaps depends on several factors including the options, plan, and outlay. Since infrastructure investment is of capital in nature, policies tend to balance between revenue expenditure and capital expenditure with priority for immediate requirements.

The traditional approach of undertaking projects has certain defects such as awarding projects before obtaining regulatory approvals, without tying up source of funds, sub-optimal contracting models, insufficient comfort to the project lenders, inadequate dispute resolution mechanism, delayed settlement of claims, unwarranted arbitration proceedings, inadequate transparency, sub-optimal monitoring of project implementation, etc. In certain cases, the risk sharing is irrational that projects suffered inordinate delays resulting in losses for bankers, project contractors, government and ultimately depriving the users of the planned infrastructure facility.

The on-going development of India is of a phase where India is bound to focus on integrated approach with focus on creating infrastructure not only to address present gaps but also to plan for the needs that would arise in the future.

National Infrastructure Pipeline (NIP):

It is this backdrop in which the Indian government has ably launched the initiative of NIP in April 2020. The objective of NIP is not only to plan projects to fill the existing gaps but also to proactively create infrastructure for the progressively increasing needs. NIP focussed on identifying the sectors and sub-sectors and to promote project planning until execution including attracting investment from public and private sectors.

Government of India estimated that Indian Gross Domestic Product (GDP) will reach $5 trillion by year 2025. The estimate expected that to achieve GDP of $5 trillion, the country must see investment of $4.5 trillion in investment by year 2030. This equation underscores how critical is investment in infrastructure to India's GDP.

Factoring in the NIP plan and the overall outlay, Indian government allocated Rs. 10 trillion for infrastructure in the fiscal budget for financial year 2023-24. This amount is highest in Indian history and is also the highest such allocation in the emerging economies.

The budgetary allocation is in continuation of NIP implementation. The major ongoing infrastructure projects include Bharatmala Pariyojana of $130 billion, Narmada Valley Development of $30 billion, Delhi-Mumbai Industrial Corridor of $90 billion, Mumbai Trans Harbour Link project of $2.2 billion, Navi Mumbai International Airport of $600 million, Inland Development Waterways project of $600 million, and Chenab River Railway Bridge of $100 million.

The volume of NIP in terms of sector and yearly target is as follows:

Ministry/ Dept (Amts Rs. trillion)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**No phasing**	**FY20 – FY25**	**%**
Energy Projects	2,33,607	4,41,522	4,42,372	4,68,134	4,97,768	4,66,821	1,39,778	26,90,003	24.17%
Road Projects	3,32,559	3,83,283	3,56,966	2,52,780	2,40,761	3,32,659	1,34,815	20,33,823	18.27%
Railway Projects	1,33,387	2,62,465	3,08,800	2,73,831	2,21,209	1,67,870	-	13,67,563	12.29%
Seaport Projects	13,357	18,104	20,649	15,863	7,724	10,002	35,495	1,21,194	1.09%
Airport Projects	18,667	21,655	24,820	21,334	25,386	5,141	26,445	1,43,448	1.29%
Urban Projects	2,98,174	4,62,208	4,04,134	2,34,858	2,17,164	1,59,862	1,42,867	19,19,267	17.24%
Digital Communications	78,356	61,847	54,538	38,719	38,119	38,093	-	3,09,672	2.78%
Irrigation Projects	1,14,463	2,00,615	1,75,669	1,37,358	1,15,281	70,474	80,612	8,94,473	8.04%
Rual Infrastructure Projects	1,40,313	1,76,803	2,10,811	1,11,877	1,07,057	27,055	-	7,73,915	6.95%
Agri & Food Processing	3,570	3,895	3,626	1,923	1,176	649	1,53,889	1,68,727	1.52%
Social Infra Projects	56,608	78,315	85,044	55,314	46,147	25,945	46,012	3,93,386	3.53%
Industrial Infra Projects	19,070	43,066	44,845	35,129	23,021	10,520	1,39,306	3,14,957	2.83%
Grand Total of NIP Projects Value	**14,42,131**	**21,53,778**	**21,32,274**	**16,47,120**	**15,40,813**	**13,15,091**	**8,99,219**	**1,11,30,428**	**100.00%**

At the time of launch, NIP had 6,835 projects with scope to increase the number of projects to 9,000 plus and a total outlay of Rs. 111 crs is envisaged. As on today, NIP has 9,261 projects under development with outlay of $1890 billion spanning 57 subsectors. The number of projects under development are 2029.

The volume of outlay of projects under NIP can be noticed from the above table. The lions share being 24% is for energy sector which is critically required for other projects to be undertaken. Next in order is road sector with 18.3% share since transportation is facilitated mostly by roads. Urban projects with several urban infra projects deserved 17.2% share which not only caters solely to the urban regions but also connects the facilities for rural regions. Railway projects commanded significant share of 12.3% since cargo movement over roads is supplemented by railways. Irrigation projects obtained a share of 8% while rural infrastructure projects garnered a share of 7%. Other sectors totalled about 14%.

Expenditure on infrastructure is the best investment for economic development as reliable Indian studies estimated that for every rupee invested on infrastructure there is a gain of Rs. 2.50 to Rs. 3.00 in GDP.

The magnitude of NIP volume elevates if the volume of infrastructure investments in the previous five years period is compared with the volumes of NIP, which is presented as follows:

Sector / Amounts in Rs. Trillion	2013-2019	% to Total: 2023-29	2020-2025	% to Total: 2020-25	% growth: 2013-19 vs 2020-25
Power	17,67,000	31%	26,90,003	24%	52.24%
Roads & Bridges	10,26,000	18%	20,33,823	18%	98.23%
Railways	5,70,000	10%	13,67,563	12%	139.92%
Ports	57,000	1%	1,21,194	1%	112.62%
Urban	8,55,000	15%	19,19,267	17%	124.48%
Telecommunication	6,84,000	12%	3,09,672	3%	-54.73%
Irrigation	5,13,000	9%	8,94,473	8%	74.36%
Airport	57,000	1%	1,43,448	1%	151.66%
Others	1,71,000	3%	16,50,985	15%	865.49%
Total	**57,00,000**	**100%**	**1,11,30,428**	**100%**	**95.27%**

From the above table it could be noticed that there is a healthy distribution of projects in several sub-sectors than in few sectors alone as during years 2013-2019. The other sectors include digital communication, agriculture & food processing, sports, tourism, sanitation, etc. With sector wise comparison, the power, roads & bridges, railways, urban, and irrigation were allotted almost same shares within the overall volumes. Telecommunication is the only sector that has seen reduced allocation of about 50% during 2020-2025 when compared to 2013-2019. All other sectors saw volume addition ranging between minimum of 50% to 100%. Overall, the planned infrastructure outlay almost doubled during 2020-2025 when compared to that of 2013-2019.

Funding & implementation of NIP projects:

Of the total Rs. 111 trillion projects, the core infrastructure projects are energy, renewable energy, atomic energy, petroleum & natural gas, roads, and railways. These sectors have an outlay of Rs. 60.91 trillion. This amount is estimated from several sources as follows:

Source of funding	Amount Rs. Trillion	% Share
Central Budget	14,07,783	23.11%
State Budgets	6,90,505	11.34%
PSU debt	16,62,254	27.29%
Internal accrual	1,32,635	2.18%
IEBR	92,950	1.53%
External aid	2,23,590	3.67%
Others	1,49,289	2.45%
Public Private Partnership	17,32,384	28.44%
Total	**60,91,389**	**100.00%**

From the above table, it may be noticed that budgetary funding involving central, state and Internal & Extra Budgetary Resource (IEBR) constitutes about 38%, debt & aid constitute about 32% and PPP constitutes about 30%.

Public Private Partnership (PPP):

PPP is a partnership between public sector and private sector for implementing projects which have public interest. This partnership combines the abilities of both the sectors. Public sector brings regulatory capabilities, the concession authorizations, and certain approvals.

The private sector brings financing, execution, and maintenance capabilities. The burden of upfront funding, and maintenance is done away with for the public sector. Similarly, the burden of acquiring land or concession, etc., is done away with for the private sector. World over PPP projects have proved to be successful and so has been the experience in India.

PPP projects are undertaken in various variants of build operate transfer (BOT). These BOT variants distribute the roles of designing, building, funding, owning, leasing, operating, tolling, and transferring the asset created by way of executing a project in PPP mode.

From the source of funding for NIP, it is noticed that effectively about 1/3rd is funded by PPP projects. The mode of projects implementation is another significant aspect that needs attention, and the details are presented in the following table:

Mode of implementation	**Amount Rs Trillion**	**% Share**
Engineering Procurement Construction (EPC)	25,79,407	42.35%
Public Private Partnership (PPP)	9,87,365	16.21%
Joint Venture (JV)	29,186	0.48%
Ownership Basis	24,95,431	40.97%
Total	**60,91,389**	**100.00%**

From the above table, it is observed that PPP contributes about 16% even in the mode of implementation. To this extent, Government is freed from its burden of implementation and on the contrary, Government is entitled to the right of regulation. In fact, credit take-off from banking sector happens in a big way with multiplier effect only if either private undertakes majority of the share of the projects or best if projects are undertaken in PPP mode.

Expertise & Expectations of Private Sector:

It is undeniable that relatively the private sector has better expertise in view of the closely held or controlled ownership, higher cost of funding, high competition, and time-bound targets, aspiration for growth, and commercial approach. Infrastructure projects allow private sector to accelerate execution and earn their commercial gains and credentials sooner than later. Private sector is aware of the volatility in the inflation sector and since infrastructure assets are among the best bets against inflation losses, private sector will have natural interest towards infrastructure projects.

Certainty, profitability, transparency in project selection and awarding process, scope for bank funding, consistency in policy decisions, long-term approach, and timely decisions are the requirements and expectations of the private sector.

Delays should be avoided:

While the infrastructure projects in India are fewer in number, India does have a good track record of implementing infrastructure projects, from building the world's highest railway bridge to constructing major highways and airports. It has a large pool of engineers, architects, and construction workforce, and has been investing in technology development and adoption such as in Building Information Modelling (BIM) and Geographic Information Systems (GIS) to improve project planning and execution.

Delays are not uncommon in infrastructure projects since they involve huge complexities, uncertainties, and unforeseen challenges. Therefore, India is not the only country to face challenges of delays, defaults, and cost overruns in implementing infra projects. It may be a saving grace that other countries are also suffering delays and cost overruns, but the delays and cost overruns in India in certain segments are quite higher as compared below:

High-Speed Rail: The high-speed rail project between Mumbai and Ahmedabad of around $17 billion has been facing delays and its completion date is pushed back multiple times. In contrast, countries like China and Japan have completed several high-speed rail projects. For instance, the Beijing-Shanghai High-Speed Railway in China of about $33 billion was completed in less than four years.

Airports: India has been expanding and upgrading several airports, but these projects are facing delays and cost overruns. For instance, the Navi Mumbai International Airport of about $2.5 billion, is delayed by several years and is now expected to be completed in 2024. In contrast, countries like China and the UAE have completed several new airports, including the Beijing Daxing International Airport ($11.2 billion, completed in 2019) and the Dubai International Airport ($33 billion expansion, completed in 2016).

Urban Infrastructure: India has also been investing in urban infrastructure, but these projects have faced challenges related to land acquisition, funding, and execution. The Mumbai Metro, which has faced several delays and cost overruns, is estimated to cost around $3 billion. In contrast, countries like China have built extensive metro systems in several cities, including the Beijing Subway with total length of over 700 km carrying millions of passengers daily.

Conventional approach to be diluted:

Almost all the infrastructure projects will have interface with Government authorities. Government authorities are conventionally used to EPC contracts. Private contractors will not have ownership share in EPC contracts. They can be held responsible only until the defect liability period but not over asset ownership or revenue period. Therefore, EPC contract mechanism could accommodate constant control and justify lengthy administrative procedures by Government authorities. However, in PPP, private entities are developers and stakeholders of the project even during the ownership or revenue period. They are not only contractors but are also partners of the project. The treatment towards the partners should be commensurate with the share of capital, risk, responsibility, and concern the partners have towards the projects. While India has been among the most successful economies to adopt PPP fruitfully, there is significant scope and need for the administration to evolve to commensurate with the PPP spirit.

Capacity Building:

Since multiple contracting and project implementation methods and modes co-exist which need cannot be ignored, PPP cell system should be further strengthened including with the capacity building programme for the authorities and officers handling PPP project implementation procedures. The capacity building programs should include professional trainings, consultations, study tours, and case study deliberations. In fact, capacity building on projects, contract procedures, project implementation methodologies, legal mechanism, and administration to all the officers whether they are part of the PPP project implementation. Without adequate capacity building to the officers, overcoming contractual challenges, disputes, delays, defects, loss of capital, time, and efforts cannot be avoided. India has few good institutes to provide the required capacity building and training programs.

Notable one among them is Dr.Marri Chenna Reddy Human Resource Development Institute of Telangana (MCR HRD IT). MCR HRD IT itself is a joint initiative of Government of Andgra Pradesh/ Telangana which has been successfully imparting training programs to government officers across the country.

The Way forward:

Historically, India suffered shortfalls in the investment in infrastructure and in creating relevant assets. Of the already existing, several infrastructure assets require either additions, or upgradations, or redevelopments due to ageing, obsolescence, or capacity shortfalls. There is a huge requirement and gap for taking up numerous infrastructure projects in all the sectors without any exception. The delayed push is a boon for India since the new projects could embrace modern technologies, enjoy shorter execution timelines, higher futuristic capacities, entail lower operational costs, learn from the mistakes of other developed countries, and also with the catch up approach the gaps in the infrastructure could be filled in a planned manner. The experience, learnings, and the planning facilitate execution of projects opting foreign technologies, foreign exchange, and foreign consultancy services on a selective and need basis.

As per one of the Morgan Stanley reports, it is stated that India is among the top 3 economies in the world that can generate more than $400 billion annual economic output growth from year 2023 and this rises to more than $500 billion after year 2028. At the same time, as per global competitiveness index, India ranks 70th out of 140 countries in infrastructure quality. This indicates that not only the on-going development of infrastructure projects deserve encouragement, but the volume and push also needs further thrust. India has developed public private partnership (PPP) format which is highly suitable for high capex public infra projects. PPPs leverage the strengths of both the sectors to deliver projects in an efficient, cost-effective, and sustainable manner. Thus, with no disputes regarding the need for PPP projects to meet India's needs, the infrastructure projects require enhanced commitment from the Government in terms of funding, policy support, and regulatory frameworks.

Conclusion:

Capacity building and training programs would enhance the body of knowledge and capacities of the officers about the contractual structures associated with BOT toll, BOT annuity, HAM, Viability Gap Funding, Revenue Subsidy, etc involving Concessionaire Agreements, arbitrations, online monitoring, transparency, etc on contractual, commercial, legal, human resource, and administration aspects.

The other imminently required measures include strong project management strengths including in PPP projects, timely and enhanced funding support, further streamlining of approvals, risk management, standardized contract management, use of immutable technology interfaces, further increase in capacity building, and increased stakeholder engagement, etc.

NIP being one of the rational programs ever, deserves continued support and frequent reviews by the policy making bodies. NIP envisaged creation of three committees, viz., Committee to monitor NIP progress and eliminate delays, Steering Committee at each Infrastructure ministry level to follow up on the implementation process, and a Steering Committee in Department of Economic Affairs for raising financial resources for the NIP. Noticeably, there is no update on the functioning of these committees. Further, instead of occasional updates on the progress of projects under NIP, there should be periodical reviews and public updates which reinforces the confidence of all the stakeholders.

With enhanced adoption of PPP methodologies, achievement of the infrastructure projects envisaged under NIP and other programs should not be a bigger challenge, at least than the challenges that exist in the absence of the required infrastructure projects and in the absence of PPP implementation. PPP not only fills the gaps in infrastructure but will also provide huge employment opportunities and fuels economic growth.

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Disciplinary Proceedings in India

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Disciplinary proceedings in India form an integral component of the administrative machinery, essential for maintaining the integrity, efficiency, and discipline within the government services. Rooted in the principles of justice and fairness, these proceedings are employed to address issues related to misconduct, negligence, malpractice, and other infringements by government servants. In this article, we delve into the fundamental aspects of disciplinary proceedings, their procedural intricacies, and the legal underpinnings that govern them.

Disciplinary Proceedings - Its literal Meaning

The term "Disciplinary Proceeding" is a combination of two words, "proceeding" and "disciplinary," each holding significant meaning. "Proceeding" refers to a course of action or a process, while "disciplinary" functions as an adjective, signifying its connection to discipline and the intent to enforce it. Discipline, in this context, pertains to a specific system of regulations governing conduct, with violations potentially resulting in punitive measures. In essence, disciplinary proceedings encapsulate a formalized process aimed at upholding and enforcing a structured code of behavior, where deviations from prescribed standards may lead to punitive actions.

Disciplinary Proceeding - Its Legal Notion

Disciplinary proceedings, from a legal perspective, serve several fundamental purposes. Firstly, they constitute a structured process designed to enforce discipline within an organization or institution. Secondly, they function as a means for taking action and imposing penalties in response to alleged misconduct, negligence, inefficiency, or similar charges against a government servant. These proceedings involve a thorough inquiry to determine the guilt or innocence of the charged officer. In cases where guilt is established, disciplinary proceedings can culminate in the imposition of appropriate punishments, thereby ensuring accountability and upholding the standards of conduct and performance expected in the government services.

Disciplinary Proceedings - Its Nature

Disciplinary proceedings exhibit a quasi-judicial nature, embodying attributes that are akin to the judicial process. The term "quasi" implies a semblance or similarity, and when coupled with "judicial," it underscores a connection to the administration of justice. In essence, disciplinary proceedings are quasi-judicial because they share certain characteristics with judicial proceedings while not encompassing all aspects of the judicial system. These proceedings are typically undertaken by executive or administrative bodies, necessitating actions that are equitable, just, and devoid of arbitrariness or unreasonableness. Furthermore, they entail the resolution of contentious matters based on evidence, offering parties involved a fair opportunity to be heard—a process that aligns with the principles of justice and due process.

Constitutional Safeguards with respect to Disciplinary Matters

Article 311 of the Indian Constitution, often regarded as the "Magna Carta" for civil servants in India, establishes critical safeguards of a procedural nature. These safeguards primarily protect civil servants from dismissal or removal by an incompetent authority and safeguard against arbitrary punishments such as dismissal, removal, or reduction in rank, ensuring that such actions are subject to a fair and lawful process. These two safeguards are as indicated below:-

(1) No dismissal or Removal by authority subordinate to appointing authority.

(2) No dismissal or removal or reduction in rank without inquiry in which :-

- (i) charge should be communicated to the Government Servant concerned.
- (ii) he or she, should be given reasonable opportunity of being

heard in respect of charges, and

(iii) penalty may be imposed on the basis of evidence adduced during such inquiry.

Elaborating on the constitutional provisions mentioned above, the Supreme Court in its various decisions has emphasized the importance of adhering to the principles of natural justice also. These principles uphold the principles of fairness, impartiality, and justice, ensuring that the rights of individuals undergoing disciplinary scrutiny are protected.

The Principles of Natural Justice in Departmental Proceedings

In the context of disciplinary proceedings, the principles of natural justice are fundamental in ensuring fairness and transparency. These principles uphold the principles of fairness, impartiality, and justice, serving as a cornerstone in safeguarding the rights of individuals undergoing disciplinary scrutiny.

The principles of natural justice are integral to disciplinary proceedings, encompassing key aspects that uphold fairness and transparency:

1. Full Opportunity for Evidence: All parties involved in the proceedings should be granted the chance to present relevant evidence they intend to rely upon.

2. Presence during Opponent's Evidence: The evidence presented by the opposing party must be taken in the presence of the affected party to ensure transparency and fairness.

3. Cross-Examination Rights: The charged officer has the right to cross-examine witnesses presented by the opposing party, further enhancing the fairness of the process.

4. Explanation of Materials: Before any materials are used against the charged officer, he should be provided with the opportunity to explain or defend themselves against such materials.

"Distinguishing minor and major penalty proceedings, and the roles of appointing and disciplinary authorities"

Ordinarily, Appointing Authority is the Authority which is empowered to make appointment to the post which the government servant is holding. As stipulated in Article 311, Clause (i) of the Indian Constitution, no subordinate authority to the Appointing Authority can dismiss or remove a civil servant from government service. On the other hand, the term "Disciplinary Authority" refers to the body authorized by the Service Rules to apply any of the specified penalties to a government servant. It is essential to highlight that a disciplinary authority, if not the appointing authority, does not generally possess the capability to enforce major penalties, including dismissal or removal.

Minor penalties, relatively less severe than major penalties, offer a choice to the appointing authority, acting as the disciplinary authority, in initiating disciplinary proceedings. This means that for any misconduct, the appointing authority can opt for either major or minor penalty proceedings, in contrast to the Indian Penal Code, where minor offenses incur minor punishments and major offenses result in major penalties. Distinct procedures apply to Major Penalty and Minor Penalty proceedings. In the case of a major penalty proceeding, the authority has the flexibility to impose either a major or a minor penalty. However, when a minor penalty proceeding is initiated, the option to impose a major penalty is not available.

Typically, Disciplinary Authorities fall into two categories: those vested with the authority to impose all penalties on employees and those with the power to impose only minor penalties. Generally, the appointing authority has power to impose all penalties on employees, whereas, the disciplinary authority who is not an appointing authority in general, has power to impose only minor penalties. Thus, the appointing authority possesses comprehensive powers, while the disciplinary authority holds authority over all aspects except the imposition of major penalties generally speaking. It is important to note that a disciplinary authority, even if not the appointing authority, can initiate major penalty proceedings but lacks the power to impose major penalties, merely has the authority to recommend such actions to the appointing authority.

Initiation of Disciplinary Proceeding – Basis

The initiation of a disciplinary proceeding against a Government Servant hinges upon the satisfaction of the competent authority, which is prima facie convinced based on available evidence that grounds for departmental action exist due to alleged misconduct, misbehavior, malpractice, negligence, or similar reasons. Such evidence can originate from various sources:

(i) Complaints
(ii) Reports
(iii) Personal knowledge
(iv) Allegations published in newspapers
(v) Information obtained from external sources.

Complaints, which are typically filed by aggrieved or concerned parties, may originate either within or outside the relevant government department. These complaints can be categorized as follows:

(i) Anonymous: Complaints, in which the identity of the complainant remains undisclosed, indicating unknown or undeclared authorship.
(ii) Pseudonymous: Complaints presented or written under a fictitious name.
(iii) Complaints made by individuals who reveal their identity and provide authentic signatures.

Anonymous or pseudonymous complaints should not trigger immediate action, as per CVC Circular dated 3.03.2016. Nevertheless, if the relevant authority believes there may be substance to the complaint, they must undertake a preliminary enquiry to establish a prima facie case before proceeding.

Preliminary Enquiry (PE)

Even when the complaint is genuine in the sense that it has been made by a real person under his/her own signature, it is not necessary that a departmental proceeding should be drawn up on that basis alone. The point for consideration is 'whether or not there is sufficient ground for proceeding". In other words, the existence of a "prima facie case" is the pre-requisite for initiation of a departmental disciplinary proceeding. For that purpose, a preliminary enquiry may be conducted to find out whether a prima facie case is made out justifying initiation of a formal disciplinary proceeding.

A preliminary enquiry serves the following purposes:

(i) It serves as a fact-finding exercise.

(ii) It maintains an informal nature.

(iii) Typically, it is conducted ex-parte.

(iv) It aims to satisfy the Competent Authority responsible for initiating disciplinary proceeding.

(v) The individual against whom the complaint is made need not participate in the preliminary enquiry.

(vi) It is not mandatory for every case and it may be conducted confidentially.

(vii) There is no fixed format or procedure for conducting a preliminary enquiry.

(viii) Preliminary enquiries are conducted to determine the prima-facie veracity of allegations found in a complaint, report, or other sources to decide whether to commence disciplinary proceedings.

Situations where a Preliminary Enquiry may be skipped include cases where the allegations are not of a serious nature, instances where the misconduct is obvious and falls within the personal knowledge of the Disciplinary Authority, or when a prima facie case is clearly established through an Audit Report, Inspection Report, a Committee's findings, a C.B.I. report, or a superior officer's report.

Conducting a Preliminary Enquiry: Who May Make A Preliminary Enquiry?

A preliminary enquiry can be carried out by the Disciplinary Authority itself or any individual authorized for this purpose. Ideally, the conducting authority should hold a higher official rank than the officer who is the subject of the enquiry to ensure a fair assessment. Crucially, impartiality is vital, and the conducting authority should not exhibit bias towards the suspected or alleged delinquent employee, ensuring a fair and unbiased evaluation of the situation.

After Preliminary Enquiry – The Next Steps

After the preliminary enquiry (P.E.), several pivotal decisions come into play for the Disciplinary Authority. He must first scrutinize the correctness of the P.E. process, assessing whether it has been conducted properly. Once established, he must determine if there is a prima facie case of misconduct, offense, or fault. Depending on the nature of the offense, considerations include lodging an FIR with the Police in cases of cognizable offenses or filing a complaint before the Competent Judicial Magistrate, whether for cognizable or non-cognizable offenses, to initiate criminal prosecution. The authority faces a critical choice of whether to initiate criminal proceedings, departmental proceedings, or both concurrently. Furthermore, if a disciplinary proceeding is deemed necessary, the Disciplinary Authority must decide whether to draw up a proceeding for major or minor penalties, a decision that significantly shapes the ensuing course of action in addressing alleged misconduct.

Initiating Either Minor Penalty Proceedings or Major Penalty Proceedings

The relevant authority should assess whether there is sufficient justification to initiate a formal disciplinary proceeding against the Government Servant in question. If the results of a preliminary inquiry, a reliable report, credible information, or direct personal knowledge establish a prima facie case, the authority may opt to initiate a departmental proceeding. In making this determination, careful consideration should be given to the nature of the allegations and the surrounding circumstances to decide whether the proposed Disciplinary Proceeding should entail major or minor penalties.

Minor Penalty Proceedings

Once the disciplinary authority has decided to initiate minor penalty proceedings against an employee, a memorandum is issued to the employee outlining the proposal to take action against them. Alongside this memorandum, a statement detailing the allegations of misconduct or misbehaviour is provided, granting the employee a week to ten days to submit his response. If the Government Servant requests access to certain documents for preparing his reply, such requests will be considered on a case-by-case basis. Upon receiving the employee's reply or if no response is received by the specified deadline, the competent authority will make a decision based on the available information. The disciplinary authority's findings will be documented in the file, and an appropriate order will be served to the Government servant in question. If, upon examination, it is determined that the Government servant is not at fault, an order confirming their exoneration will be issued accordingly. Typically, there is an inclination to initiate major penalty proceedings to maintain flexibility, as the conclusion of major penalty proceedings allows for the possibility of imposing a minor penalty as well.

In certain situations, even for the imposition of minor penalties, a comprehensive oral hearing may be deemed necessary. Such instances arise when the disciplinary authority believes that the circumstances warrant conducting an oral inquiry to determine the veracity of the charges. This decision can be initiated either at the discretion of the disciplinary authority, who may independently decide to conduct an oral inquiry, or in response to a request from the concerned official. Regardless of the trigger, the ultimate choice rests with the disciplinary authority. Cases involving oral evidence typically necessitate an oral hearing as part of the proceedings.

Major Penalty Proceedings

It is imperative for the authority to confirm that they possess the requisite competence under the relevant Service Rules to initiate a Disciplinary Proceeding for major penalties against the Government Servant concerned. If the competent authority deems it necessary to initiate a Disciplinary Proceeding for major penalties, they must follow a specific procedure, including the preparation of a charge sheet, which consists of a memorandum and four annexures:

(a) Annexure-I: Articles of charge

(b) Annexure-II: Statement of imputations of misconduct or misbehavior

(c) Annexure-III: List of documents intended to substantiate the articles of charge

(d) Annexure-IV: List of witnesses through whom the charges are proposed to be proved.

Documents to be served to the Charged Officer:

(i) Charge Sheet
(ii) Statement of imputations
(iii) List of documents
(iv) List of witnesses
(v) Forwarding Memorandum
(vi) Copies of all the documents relied upon for substantiating the charges.
(vii) They should be accompanied by the forwarding memorandum, calling upon the Charged Officer to submit within 10 days of the receipt thereof a written statement of his defence and also to state whether he/she desires to be heard in person.
(viii) Issue other necessary instructions to the Charged Officer through that memorandum.

Charge Sheet

A charge can be defined as the essential, prima facie proven core of an allegation, outlining the nature of the accusation in general terms, such as negligence in official duties, inefficiency, acceptance of sub-standard work, false measurement of work, work below specification, breach of conduct rules, and more. It should be concise, clear, and precise in identifying the misconduct or misbehaviour, including details of time, place, and involved parties or elements, ensuring that the accused public servant is well-informed about their involvement. Essentially, a charge signifies either an act committed that should not have been or a failure to perform a duty that should have been executed.

When preparing a charge-sheet, it is crucial to exercise extreme diligence. Each charge should be framed based on a single incident, ensuring clarity, precision, and accuracy while avoiding vagueness and ambiguity. Comprehensive factual information, including dates, times, locations, and the nature of actions or omissions should be provided. The authority should clearly state the relevant Rule allegedly violated and, if applicable, use commonly recognized names for specific offenses or faults. The authority should avoid mentioning or including evidence or inferences within the charge itself, focusing solely on outlining the misconduct or violation. Upon the service of a Charge Sheet to the Charged Officer, one of the following five scenarios may unfold:

1. He completely admits the charge.
2. He partially admits and partially denies it.
3. He entirely denies the charge.
4. He does not respond at all.
5. He requests document inspection and applies for copies.

For each of these situations, the following actions can be taken by a Disciplinary Authority (D.A.) :

<u>Situation 1</u> - Admission:

(a) If the Charged Officer admits guilt, the Disciplinary Authority (D.A.) may find him guilty.

(b) D.A. can then impose an appropriate penalty based on the circumstances.

(c) Alternatively, D.A. may gather evidence to determine guilt.

(d) If found guilty, the Charged Officer is subject to punishment.

(e) D.A. must decide the appropriate penalty.

(f) The penalty should align with the relevant Service Rules, be proportional to the misconduct's nature and seriousness, and the authority has to consider any aggravating or mitigating factors, along with the individual's past conduct. Otherwise, it will constitute a violation of the Principles of Natural Justice.

<u>Situation 2</u> - Partial Admission, Partial Denial: When a charge is partially admitted,

the admitted part can be handled as in Situation 1. For the denied part, an inquiry must be conducted following the Rules and principles of Natural Justice.

<u>Situation 3</u> - Total Denial of Charges:

Actions: (I) The Disciplinary Authority can conduct an inquiry himself. Or

(II) The Disciplinary Authority can arrange for an inquiry. In either case, the authority should appoint a Presenting Officer.

Situation 4 - No Response from the Charged Officer:

(a) The D.A. should ensure that the Charge Sheet has been properly served.

(b) If satisfied with the service, the authority should consider the silence as a denial.

(c) The D.A. may proceed ex-parte in such cases, with the Charged Officer potentially being found guilty based solely on evidence.

Situation 5 – The Charged Officer demands for Documents Inspection:

(a) The D.A. should carefully assess the demand and application.

(b) The D.A. should allow the Charged Officer to make copies of documents, unless they are irrelevant or privileged.

(c) If the request is denied by the D.A., the D.A. should provide written reasons for the decision.

(d) At that stage it becomes obligatory on the part of the Charged Officer to file a written statement

Response of the Charged Officer (assuming that he/she files a written statement by the date specified)

Upon receiving the Charged Officer's written statement (WS) within the specified timeframe, it becomes the responsibility of the Disciplinary Authority to thoroughly review its contents. In cases where the Charged Officer unambiguously admits to the charges presented, the Disciplinary Authority has the discretion to record findings and, if necessary, gather additional evidence to support those findings. However, when the admission is unequivocal and freely given, there may be no requirement for further evidence gathering, allowing the Disciplinary Authority to base their decision on the admission alone, finding the Charged Officer guilty and proceeding with appropriate punitive measures.

However, in a situation where the Charged Officer does not admit to the charges in his written statement, the Disciplinary Authority faces a pivotal decision. The Disciplinary Authority can either conduct the inquiry himself or appoint an Inquiry Officer to handle the proceedings. The Disciplinary Authority has to appoint a Presenting Officer (P.O.) to present the case on behalf of the Department. All relevant records and documents must be meticulously transmitted to the Inquiry Officer for a comprehensive examination of the case. This process guarantees a thorough and impartial assessment of the charges in dispute.

Functions of Inquiry Officer

When an inquiry is initiated, the Inquiry Officer undertakes a series of meticulous steps to ensure a fair and just process. The Inquiry Officer's responsibilities encompass scheduling preliminary hearings, notifying the Presenting Officer and the Charged Officer of these hearings, and determining whether the Charged Officer will personally defend or be represented by a chosen Defence Assistant. During the preliminary hearing, the Inquiry Officer may examine the Charged Officer about the charges and their defense. Subsequently, arrangements for document inspections, witness summoning, and identification of the Defence Assistant's Controlling Authority as the Defence Assistant's Controlling Authority should know that the Defence Assistant has to be spared for discharging his duties as a Defence Assistant.

Steps to be Taken by the Inquiry Officer After his Appointment

(a) Inquiry Officer to examine the formal order of his appointment.

(b) Inquiry Officer to open a daily order sheet.

(c) Inquiry Officer to give notice to the Charged Officer, fixing a date for preliminary hearing (PH).

(d) Inquiry Officer to send intimation to the Presenting Officer about preliminary hearing.

(e) The Charged Officer appears on the date fixed for preliminary hearing.

(f) At the preliminary hearing, Inquiry Officer to ask the Charged Officer if he pleads guilty to the charges or has any defence to make.

(g) If the Charged Officer pleads guilty, Inquiry Officer to record his plea in his own language used by the Charged Officer and give his own finding.

(h) Inquiry Officer to take the signature of the Charged Officer to the order-sheet where his plea of guilt has been entered.

(i) If the Charged Officer pleads not guilty, then Inquiry Officer to hold an inquiry according to the Rules, observing the principles of Natural Justice, which includes among other things, giving to the Charged Officer reasonable opportunity of being heard.

Conducting an Inquiry by the Inquiry Officer

Throughout the inquiry, a daily order sheet is maintained to record all proceedings. The process includes examining prosecution witnesses through in-chief and cross-examination, providing the Charged Officer opportunities to explain incriminating evidence, and accepting their oral or written defense statements. The examination of defense witnesses follows a similar pattern. Documents are received and marked as exhibits, and a final hearing is conducted, allowing arguments and written briefs from both sides. After careful consideration, the Inquiry Officer submits a report to the Disciplinary Authority, specifying findings on each charge but refraining from making recommendations on penalties. The report is shared with the Charged Officer, who may submit representations.

The Disciplinary Authority evaluates the entire record, including the Charged Officer's representation, before arriving at a decision. If found guilty, a penalty is imposed, and the order is communicated to the Controlling Authority. Further avenues for appeal or review are available under the Service Rules and Administrative Tribunals, leading potentially to the Supreme Court in certain cases. This comprehensive outline ensures a systematic and equitable inquiry process for Government Officers in India.

Inquiry Procedure

1. Inquiry Officer to fix date, time and place for preliminary hearing (P.H.).

2. Inquiry Officer to intimate to the Presenting Officer the date, time and place for preliminary hearing. Inquiry Officer to give notice to the Charged Officer communicating date, time and place for preliminary hearing and ascertaining whether he will defend himself personally or like to be defended by a Defence Assistant of his choice.
3. On the date fixed for preliminary hearing, Inquiry Officer may examine the Charged Officer in person about the charge and his defence.
4. Arrangement for inspection of documents, if asked for by the Charged Officer summoning of witnesses for examination.
5. Ascertainment of the particulars of the Defence Assistant.
6. Request to be made to the Controlling Authority of the Defence Assistant (D.A.) to permit the Defence Assistant to defend the Charged Officer and allow him to be absent for the brief period when his services as a Defence Assistant are required to be rendered.
7. Daily order sheet - all proceedings to be entered there.
8. Fix date for recording of oral evidence.
9. <u>Examination of State/Department/Prosecution Witnesses</u>
    (a) Exam - in-chief by the Presenting Officer
    (b) Cross-examination by Defence Assistant /Charged Officer
    (c) Re-examination, if necessary
10. Inquiry Officer may put questions to a witness.
11. After the closure of the exam of the Prosecution Witnesses, Inquiry Officer may invite the attention of the Charged Officer to incriminating evidence with a view to offending him an opportunity of explaining.
12. After the closure of the exam. of Prosecution Witnesses, Inquiry Officer may ask the Charged Officer to state his defence orally or in writing.
13. <u>Examination of Defence Witnesses</u>
    (a) Exam-in-chief by the Defence Assistant / Charged Officer
    (b) Cross-examination by the Presenting Officer
    (c) Re-exam, if necessary

14. Reception of Documents and marking them as exhibits.
15. Final hearing
    Hear the Presenting Officer (Arguments)
    Hear the Charged Officer / Defence Assistant (Arguments)
    Permit them to file written briefs of their respective case, if they want.
16. Charged Officer has a right to make oral submissions on his defence.
17. Report of the Inquiry Officer
18. <u>Appreciation of evidence</u>
    Finding on each charge to be recorded
    No recommendation on punishment
19. Submission of the report to the Disciplinary Authority
20. Supply of a copy of the report to the Charged Officer by the Disciplinary Authority.
21. Charged Officer may make a representation against the report of Inquiry Officer.
22. Disciplinary Authority to consider the record as a whole including the representation of the Charged Officer.
23. Decision of the Disciplinary Authority. He should apply his mind to the materials on record.
24. Imposition of penalty, if the Charged Officer is found guilty.
25. Communication of the order to the Controlling Authority
26. From the decision of the Disciplinary Authority, there are opportunities for Appeal, Review & Revision under the Service Rules. However, after exhausting all remedies at the Department level, the charged officer can move the Administrative Tribunal
    (a) Appeal to Central Administrative Tribunal/ State Administrative Tribunal (Administrative Tribunals)
    (b) Appeal against the order of Central Administrative Tribunal/ State Administrative Tribunal to the High Court. Appeal from the High Court to the Supreme Court.

Certain Miscellaneous Aspects

Suspension

Suspension is a temporary deprivation of office without terminating the contract of service. During a suspension, a government servant is not allowed to perform his official duties. It is not considered a penalty under rules, but it does have civil consequences for the government servant. An appeal can be made against the suspension order, and the employee is entitled to receive subsistence allowance during the suspension period.

The decision to suspend a government servant should be made carefully, with the goal of keeping the number of suspended officials to a minimum. Before suspending a government servant, authorities should explore alternative options like transferring them to another location or granting them leave.

Suspension can occur under three specific situations: when a disciplinary proceeding is contemplated or pending, when the government servant is engaged in activities prejudicial to the state's security, or when a criminal offense case against them is under investigation, inquiry, or trial.

Public interest is a key factor in deciding whether or not to suspend a government servant, and there are circumstances where suspension is appropriate, such as when it might prejudice an investigation, subvert discipline, or go against public interest. Misdemeanours involving moral turpitude, corruption, negligence, or dereliction of duty can also warrant suspension.

Various authorities are empowered to suspend government servants, including the Appointing authority, Disciplinary authority, and other authorities designated by the President of India or the Governor of a State. In some cases, the Central Bureau of Investigation (CBI) may recommend suspension, and the administrative authority may consult the CBI or the Central Vigilance Commission for advice. Additionally, if a government servant faces criminal charges but is not in custody, suspension may be considered based on the circumstances. It may also be noted that Certain States have suspension as a minor penalty.

Deemed Suspension

Deemed suspension occurs when a government servant is considered to be under suspension without an explicit order from the competent authorities due to the operation of legal fiction. This type of suspension arises from specific events and still requires an order from the competent authority. Deemed suspensions fall into two categories: during the service period, where it applies when a person is detained in custody for over 48 hours, whether on criminal charges or otherwise, or when convicted of an offense leading to imprisonment for over 48 hours. While the Police Authorities are responsible for promptly informing a government servant's official superior about their arrest or release on bail, it is equally the duty of the arrested or convicted government servant to promptly notify their official superior of these circumstances, even if they have been released on bail. Failure to do so can result in disciplinary action solely based on this omission.

Presenting Officer

The role and functions of the Presenting Officer (PO) in a disciplinary inquiry are pivotal to the process of proving charges against a government servant. Comparable to the anchor runner in a relay race, the PO is tasked with presenting the case on behalf of the Disciplinary Authority, aiming to ensure the charges are substantiated during the inquiry. This responsibility encompasses various activities, including presenting documentary and oral evidence, cross-examining defense witnesses, and preparing and presenting a written brief. The PO's role extends across different phases of the inquiry, from the preparatory stage, through preliminary and regular hearings, to the post-hearing stage. During these stages, the PO engages in tasks such as examining appointment orders, understanding and analysing charges, anticipating lines of defense, and facilitating the inspection of documents, ensuring a fair and transparent process. Similarly, the Defence Assistant plays a parallel role for the Charged Officer, involving tasks such as presenting evidence, cross-examining witnesses, preparing a written defence, etc.

Conclusion

In conclusion, disciplinary proceedings in India play a crucial role in maintaining integrity, efficiency, and discipline within government services. These proceedings are rooted in principles of justice and fairness, embody quasi-judicial characteristics, and are governed by constitutional safeguards and principles of natural justice. They differentiate between minor and major penalty proceedings, with the appointing and disciplinary authorities having distinct roles. The initiation of disciplinary proceedings is based on evidence from various sources, and preliminary inquiries are conducted to establish a prima facie case. The inquiry process is detailed and includes the examination of witnesses, presentation of evidence, and the Charged Officer's defense. The disciplinary authority ultimately decides on guilt and imposes penalties if necessary, with avenues for appeal and review available under service rules and administrative tribunals. Overall, disciplinary proceedings in India ensure a systematic and equitable process for government officers.

Agriculture distress – Working towards a Sustainable Solution

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The farmer in India continues to struggle and today faces a strange situation where on one hand, we have unprecedented inflation and on the other low returns on farm investments. More than 300 districts, mostly in the Central Indian plateau have had drought like conditions for two years running. Our subsistence farming allows the farmer to somehow manage one year of drought. Twice in a row and he is close to starvation. The agriculture minister informed the parliament that 100 farmers from Wardha district in Maharashtra has sought government permission to commit suicide. 3228 farmers in Maharashtra alone committed suicide, at the rate of nine a day. The crisis is severe.

Public Policy in India wanted to rationalize subsidies, and focus on manufacturing, urban infrastructure and skill development. However, with Chattisgarh, Maharashtra, Karnataka, Andhra Pradesh, Jharkhand, Uttar Pradesh, Odisha and Madhya Pradesh reeling under drought related stress, the strategy had to change. The Union Finance Minister had in 2017 announced that the biggest challenge to the Indian economy is agrarian distress. The Prime Minster hailed that year's budget as being pro village, pro farmer and pro poor budget. The late M S Swaminathan too underlined the importance of retaining youth in farming and giving agriculture an income orientation.

All this because the numbers in Bharat are mindboggling even today. The Socio Economic and Caste Census of 2011 says that 73 per cent of the population lives in villages. Agriculture is the primary source of income for 179 million rural households or 30% of the population. 51% depend on manual labour for a living. 56% of rural households do not own land. With such a large proportion of the work force dependent on agriculture, farming better not fail, certainly not for two successive years. But growth was frugal at 0.2 per cent in one year and 1.1 per cent the next. Crop failure hurts the rural poor the most, leading to utter misery.

Reports of large numbers eating grass in Bundelkhand and roots and dried kernels in Odisha only underline these vulnerabilities.

The farmer therefore is left with little choice. Traditionally rustic, usually illiterate, the linguistically challenged migrant worker with no skills. He could only work in the construction sector, but business activity there has all but stopped on account of low credit offtake, stalled projects, debt pile up and slowing demand. The only option available for most farm labour is the government sponsored employment guarantees through the much-discussed Mahatma Gandhi National Employment Guarantee Act.

Interventions in the agri sector

Why does the government need such large scale intervention in the agri sector? Agriculture in most of India is antiquated. The centuries old picture of a farmer who toils away with a couple of bulls on parched brown soil still holds true. Early in June, the family looks expectantly at the sky, and hopefully looks for clouds to form, the sky to darken and raindrops to fall. With poor quality seeds, fertilizer use that is usually unscientific, pest attacks and unreliable rains, productivity in India is among the lowest in the world. Only 6 per cent of farmers in Bihar and West Bengal own any irrigation equipment. Even lesser have tractors or tillers. According to the SECC, 3.6% of rural households in India have a Kisan Credit Card (KCC) for farm loans with a credit limit of more than 700 dollars. Post harvest, the farmer, usually with no access to storage facilities, stands at the mercy of collusive price fixing by government regulated wholesale markets called mandis. The notion of price discovery does not exist in a monopsonic market.

The policy approach to all these problems has been to increase production by subsidizing input costs. Power was given free of cost in most places, fertilizer companies were heavily subsidized, canal water was supplied without meters and minimum support prices announced whenever politically expedient. As a result, production shifted from low cost to high cost regions, production costs increased and so did regional imbalances in food availability. Public investment in research on seeds, drought resistant varieties, high yield technologies went

down. Warehousing and logistics were ignored leading to significant losses in storage and transportation. And of course, all investment in irrigation projects, rain water harvesting, river management, restoration of ponds and lakes simply disappeared.
Why are rains so important for India? Monsoon failure or climate change is the excuse used to explain away drought and starvation. Bluntly put, it is poor agri policy that allows a large farm sector to remain so dependent on rain even now. The numbers tell the story. It is at best 46 per cent according to the government and most probably only 27 per cent of land according to other estimates that is irrigated. In the best farming states of Punjab and Haryana, about 50 per cent land can grow two crops a year while in Odisha 20%, and Jharkhand 25% and in Chhattisgarh only 13% land has access to irrigation.

Like with labour markets, India's agriculture sector too has been shackled by rigid and archaic regulations. Both these sectors also are state subjects and therefore we also have differing rules that come in the way of any scaling up that any firm would want. Again, like in the case of labour, the government has used the pandemic to issue some quick ordinances to replace existing statues. The COVID-19 pandemic has changed everything in many ways. Besides impacting the way we live and work, it has also severely affected the economy. Countries have been compelled to take a relook at various sectors and salvage them from the impact of the crisis.

For India, agriculture is in many ways the backbone of economic activity. It still hires nearly 50 percent of the workforce and it is growth in agriculture that catalyzes growth in the manufacturing and the services sector too. Given the discussions that have been going on for decades now, on Agricultural Mandis and on Essential Commodities, it was just a matter of time before some big changes were effected. Therefore, it was not surprising that some big amendments to the Essential Commodities Act, 1955, Agriculture Produce Marketing Committee (APMC) jurisdiction and laws on inter-state trading were announced recently. Besides ensuring better prices for farmers and improving their livelihoods, these reforms have also paved the way for further streamlining of the otherwise unorganized farming sector of the country. For example, it would enable a harmonization of the various taxes that farmers pay to the Agricultural Committee, ranging from 1% in Rajasthan to 8.5% in Punjab.

Technology adoption

Such a scenario could prove to be an opportune time for technology adoption. The reforms spearheaded by the government when clubbed with digitization led by e-commerce could benefit the sector at large. In fact, it could go a long way in making agriculture in India a globally competitive sector. Just like how technology has helped identify gaps and find solutions in sectors such as manufacturing, healthcare and finance, the time is ripe for agriculture to make the most of it. Promising digital solutions such as e-commerce can address pressing challenges, posed mainly by the pandemic in the present time. Let’s look at how it can prove to be a key enabler for enhancing the existing agri linkages.

Key benefits of e-commerce

Of the several issues faced by the agriculture sector, e-commerce can solve problems such as high level of fragmentation in the supply chain, large volumes of produce traded, and quality and costs of products. Given their access to adoption and assimilation of new technologies in the supply chain, these companies can go a long way in helping to reduce costs. An indirect advantage of this would be empowering farmers, especially those who are not in a position to negotiate better prices for their produce. This will give them access to capital for adopting technology suitable for enhancing agricultural practices. Speed of the produce reaching from farm to table is also an immense challenge for several farmers in India. E-commerce can help fill in the bottlenecks along the way by setting up an entire channel of the supply chain. This way, they can procure easily from farmers leading to the agriculture market gaining immense speed.

Farmers in India are often exploited by middlemen, which leads to excess inventory, leading to loss of their rightful earnings. The transparency and efficiency followed by e-commerce companies will help eliminate at least some of the unnecessary middlemen resulting in inventory reduction, which makes it easier for a farmer to sell their produce to consumers at competitive prices. Besides easing of processes, it can also ensure effective checks to ensure that quality is not compromised in any way.

A farmer puts in tremendous efforts in harvesting the crop and is entitled to reap the monetary outcomes of the hard work. Tech adoption can help with optimum utilization of produce. If deployed thoroughly, it can help in reducing post-harvest wastage by improving market efficiency; give a boost to agricultural content development and its upgradations. Moreover, it can significantly amplify the reach of agricultural products thus leading to increased cross-boundary selling; produce can be delivered beyond boundaries.

Even today, a lot of farmers face constraints when it comes to selling their produce to a larger customer base. E-commerce can solve this issue with their capacity to bringing niche agricultural products to nationwide markets. A NASSCOM study of 2019 has suggested that Indian farmers face post-harvest losses amounting to a whopping ₹93,000 crore.[1] While a slew of agritech start-ups are trying their best to bridge the gap, adding e-commerce to the mix can further accelerate their work toward boosting farmer income. This will happen when grading of products is enabled, product tracing happens easily and labelling becomes a reality. Digital inclusion therefore would enable most farmers to access a new supply chain that reduces leakages and losses during transportation and allows for a far more efficient supply chain linking the producer to the plate.

Challenges in the rural sector

The challenges of course are formidable. The social sector especially in Rural India suffers from years of neglect and a large gap between demand and supply. Inefficient public sector delivery has resulted in unequal access to health and education services. Poverty is still widely prevalent and inequalities are rising. The judiciary is strongly rooted in a rule of law but is agonizingly slow. The political process is firmly democratic, but caste divisions still decide winners in electoral battles. The work force is large, but is unskilled and untrained.

[1] https://www.pressreader.com/india/the-hindu/20190816/281861530145806

Bureaucratic processes can be complex, corrupt and frustrating especially where jurisdictions between the center and the state are blurred. Agriculture remains a fragmented sector, with enormous controls and state intervention, and manufacturing is riddled with state taxes, regulation and infrastructure bottlenecks.It is the services sector that grows leaps and bounds.

Banking, telecom, Insurance and the capital markets in India are now a unified and a common market. In addition, India's free labour market allows skilled workers to move freely across the rural urban divide in the country. These advantages work well when we look at the sunrise sectors of healthcare and education where the gap between supply and demand is huge. India also is uniquely situated in being able to provide high quality services to foreign customers in these sectors.

Failures in rural development

The failures we see are very often due to poor recruitment and understaffing. It is critical to invest in public health, primary care and preventive care.There is indeed enough criticism of the manner in which education has been imparted especially in the rural development sector. The problems are systemic:

- mismatch of competencies;
- poor teamwork;
- persistent gender stratification;
- narrow technical focus without broader contextual understanding;
- episodic encounters rather than continuous investments;
- weak leadership to improve performance.
- Inability to look at Universal coverage

There is the question of whether the public sector can be replaced by the private in providing essential services like primary education, family health and immunization. Also on whether we need more of social businesses and civil society intervention for improving access. The role of technology of course would play an important role.

To address all these issues and the vexatious nature of farm sector reforms, it is indeed important that we tackle the various problems that India’s agriculture sector faces. It needs a sustainable development view and should look at how markets can be leveraged to provide high returns to farmers and lower the risk due to price fluctuations.

Good Governance – Principles and Initiatives - Challenges and Impact on Society

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In this article, an attempt is made about Good Governance and examine its major principles, features, initiatives and the challenges towards achieving good governance in India along with its impact on society.

Introduction

Governance, as per the 12th Five Year Plan, is the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, on the one hand, and provide opportunities to realise their potential and enlarge the set of available choices, on the other. Where governance can be both good and bad, good governance is the responsible conduct of public affairs and management of public resources. It remains the key to a corruption free country and realizing the dream of an inclusive society.

What is Good Governance?

Eight key attributes can characterize good governance. These include being participatory, consensus-driven, accountable, transparent, responsive, effective, efficient, equitable, and inclusive while adhering to the rule of law. This framework ensures the reduction of corruption, consideration of minority perspectives, and the inclusion of the voices of the most disadvantaged members of society in decision-making processes. Additionally, good governance is attuned to both current and future societal needs.

History of Good Governance

The World Bank, in 1992, in its Report 'Governance and Development', defined Good Governance as "The manner in which power is exercised in the management of a country's economic and social resources for development." The concept of Good Governance is not new to Indian Society. In ancient India, the King was bound by 'Rajadharma'. Even epics like Mahabharata and Ramayana speak of principles of Good Governance followed by the king. Good Governance, thus, remains the key to a participatory form of government wherein those called upon to rule on behalf of the people are driven by a desire to give their all to make their lives more livable.

Principles of Good Governance

A Model Code of Governance, drafted by a Committee of Chief Secretaries, lays out the principles of good governance and aims to establish standards for states to use in assessing their own performance on various topics:

1. Improving service delivery
2. Developing programs for weaker sections and backward areas
3. Technology and system improvement
4. Financial management and budget sanctity
5. Accountability and transparency
6. Public service morale & anti- corruption measures and
7. Incentivising reforms

Features of Good Governance

The Features of Good Governance are:

a. Provision of good education facilities that offer greater employability
b. Infrastructure development like Roads, Railways and Telecommunications etc.,
c. Ensuring the safety of public life as well as property
d. Provision of citizen centric services
e. Reducing inequalities in society
f. Enlarging the sphere of freedom of speech and expression, religion and employment
g. Creating a healthy business environment
h. Maintaining law and order

i. Providing choices to the vulnerable sections of the population to lead a dignified life

Stakeholders of Good Governance

The stakeholders involved in ensuring good governance are:

a. **State**- It comprises the different organs of the Government, such as Legislature, Judiciary as well as the Executive. It also comprises other actors like Political Executives and Bureaucracy.
b. **Market**- It includes the corporate sector, the organised as well as the unorganised, ranging from large corporate houses to small scale businesses.
c. **Civil society**- It includes NGOs, pressure groups, trade associations, and media associations.

Principles of Good Governance

The 8 Good Governance principles ensure that every individual has a rightful say in the decision making and the government is responsive to the present as well as the future needs of the society.

The principles of good governance are:

1. **Participation:** Participation remains the key cornerstone of good governance. It can be ensured directly or through some intermediate institutions. It provides an opportunity to every individual to voice their opinion in the decisions of the government.
2. **Transparency:** The principle of transparency ensures that everyone equally accesses information related to policy decisions. It also means that not only is the information accessible, but it is also provided in an easily understandable form through accessible media.
3. **Rule of law:** The rule of law implies that the legal framework in the country is enforced impartially. It also means protecting the rights of the vulnerable sections of the population.

4. **Accountability:** Accountability is the answerability of the government for its decisions. It facilitates the responsibility of the government to the public. Not only the government but civil society and corporate groups, too should be accountable to the public.
5. **Responsiveness:** The principle of responsiveness ensures that the services of government and institutions are available to the public within a reasonable time frame.
6. **Consensus oriented:** It ensures that the decisions arrived at take into account the interests of every stakeholder in the society. This ensures that everyone accepts the decision and is in the best interest of the whole community.
7. **Equity and inclusiveness:** Good governance should ensure justice, be it in terms of political, economic or social, for the community. It strives to bring about an inclusive society where everyone has the opportunity to climb the ladder of growth.
8. **Effectiveness and efficiency:** Good governance ensures that the processes and institutions produce results which meet the needs of the society by ensuring optimal utilisation of the available resources.

Good Governance Day

Good Governance Day, also termed as Susasan Diwas, is celebrated annually on 25 December, the birth anniversary of the late Prime Minister Sri Atal BIhari Vajpayee, with a view to enhance accountability in the government. Its observance began in 2014.

Good Governance Index 2021

The good governance index is a comprehensive tool that seeks to assess the status of governance in the states and the impact of various interventions by the governments. It was launched in 2019 and is prepared by the Department of Administrative Reforms and Public Grievances under the Ministry of Personnel, Public Grievances and Pensions. It takes into consideration 10 sectors which are further measured on a total of 58 indicators. These indicators are given different weightage to arrive at the value. In the Good Governance Index

2021, Gujarat, Maharashtra and Goa were ranked the highest i.e 1st, 2nd and 3rd respectively.

Good Governance initiatives of Telangana

Telangana is the youngest state in the country and the Government of Telangana has embarked on implementation of various e-Governance initiatives, to help citizens gain one-stop access to information and services in a secure way and to provide better, efficient, transparent and responsive services, leveraging Information & Communication Technology tools (ICT).

Centre for Good Governance (CGG)

The Centre for Good Governance (CGG) was established in October 2001 by then the Government of Andhra Pradesh (GoAP) in collaboration with the Department for International Development (DFID) and the World Bank to help it achieve the State's goal of Transforming Governance. CGG undertakes action research, provides professional advice, and conducts Change management programmes for government departments and agencies to enable successful implementation of their reform agenda. CGG works closely with policy-makers like Ministers, senior officials, management experts, institutions and other stakeholders, especially citizens towards building people-centric governance practices.

e-Governance Projects

The National e-Governance Plan (NeGP) serves as the guiding document for creation of the right governance and institutional mechanisms, setting up the core infrastructure, policies and implementation of a number of Mission Mode Projects at the Centre/ State and integrated service levels for e-Governance in the State of Telangana.

Government Order Issue Register (GOIR): The Information Technology, Electronics & Communications Department (IT, E&C) facilitates all the other Government Departments to upload their Government Orders (Ms and Rt) through Online Government Order Issue

Register (GOIR) Portal to make them available to citizens. The GO(s) can be accessed and downloaded through the portal anywhere, anytime.

eOffice Project: e-File is a workflow based system that includes the features of existing manual handling of files in addition to the more efficient electronic mode. This system involves all stages, including the diarisation of inward receipts, creation of files, movement of receipts and files and finally the archival of records. With this system, the movement of receipts and files become seamless and there is more transparency in the system since each and every action taken on a file is recorded electronically.

eTaal: A web portal for dissemination of e-transaction statistics of National and State level e-Governance projects including Mission Mode Projects. It receives transaction statistics from web
based applications periodically on near real-time basis. eTaal presents quick analysis of transaction counts in tabular and graphical form to give quick view of transactions done by various e-Governance projects.

Government e Marketplace (GeM): Facilitates online procurement of common use Goods & Services required by various Government Departments/ Organizations/ PSUs. GeM aims to enhance transparency, efficiency and speed in public procurement. It provides the tools of e- bidding, reverse e-auction and demand aggregation to facilitate the government users, achieve the best value for their money.

eProcurement: The Government e-Procurement Platform is robust, efficient, transparent, economical, and significantly reduces the time to process the tenders. It involves activities related to evaluating and selecting suppliers, such as e-Tenders and e-Auctions. Purchase Control offers everything the department needs to successfully execute e-procurement. Besides, it removes routine tasks from the procurement wing of the department so that they can focus on more important tasks like negotiating contract terms to the advantage of the Government.

The e-Procurement platform being utilized by all the Departments of Telangana Govt. including urban and rural local bodies along with their vendors, Cooperative Sectors, Public Sector Undertakings and other State Governments.

DigiLocker: DigiLocker aims at 'Digital Empowerment' of citizen by providing access to authentic digital documents to citizen's digital document wallet. The issued documents in DigiLocker system are deemed to be at par with original physical documents as per Rule 9A of the Information Technology (Preservation and Retention of Information by Intermediaries providing Digital Locker facilities) Rules, 2016.

Electronic Service Delivery (ESD) is a key pillar of Telangana State's e-Governance vision and initiatives. ESD has facilitated delivery of Government to Citizen (G2C), Government to Business (G2B) and Business to Citizen (B2C) services to every corner of the State using ICT in an accountable, transparent and innovative manner.

MeeSeva has been envisioned to bring public services closer to the citizens and enable 'Anywhere, Anytime' access to citizen-centric services through multiple platforms and modes. It was launched in 2011 and has emerged as the primary mode for electronic delivery of G2C and G2B services. Eseva/MeeSeva is one of the most successful e-governance projects and is replicated by many other State Government Departments.

Smart Governance is a key focus area of ITE&C Department. In this regard, ESD has been adopting emerging technologies like Big Data, AI, ML, etc., for re-engineering processes involved in effetive delivery of G2C, G2B and G2G services to the citizens.

Major Initiatives

T-App Folio

ESD has implemented one of its kind m-Governance initiatives, T-App Folio, which enables delivery of G2C, B2C, VAS, and info services. T App can be accessed on Smart phones (App, Mobile Web) as well as feature phones (USSD, IVRS, and SMS). T-App Folio is also the only App in India that currently enables application and certificate services to be delivered to citizens. T-App Folio was launched in February 2018 and the app has clocked more than 12 lakh downloads. It records close to 7,000 transactions a day. T App Folio currently hosts over 270 services from over 32 participating departments.

T-Wallet

T-Wallet is the official digital wallet of Telangana State, launched on 1st June, 2017. It is the first digital wallet owned by any State Government in India. It has an Anytime Anywhere digital payment option for everyone. It serves Online (Desktop, Laptop), Smart Phone, Feature Phone and even offline. T-Wallet has been integrated with the services of SC Development Dept., Labour Dept., Traffic Police, Streenidhi, TSRTC, CDMA, Vijaya Dairy, Civil Supplies, JNTU, among other Government entities.

Real-time Digital Authentication of Identity (RTDAI)

RTDAI enables a document-less, presence-less governance mechanism using Big Data, AI, ML, etc. wherein the quality of Government Departments' interaction with citizens can be significantly improved.

Pensioner's Life Certificate through Selfie (PLCS)

PLCS is the first use case of RTDAI and has been launched in April, 2019. The solution eliminates the need for pensioners to visit the authorized physical offices to submit the proof of life certificate

RTA FEST

Through Friendly Electronic Services of Transport (FEST), launched in July, 2020, the citizens of Telangana can avail numerous services of the Transport Department through a Smartphone from their home, anytime, anywhere, without physically visiting the RTA office. Except for services where a driving test or physical inspection of the vehicle is required, all services would be offered in a contactless and presence-less manner through FEST.

Degree Online Services, Telangana (DOST)

Leveraging RTDAI, authentication of students for admission into Degree Programs of the State was made completely online through DOST Authentication service. This ensured that the students could complete the authentication process without stepping out during the Covid-19 pandemic. The DOST authentication process has been continued to be implemented for the Degree Admissions.

Samagra Vedika

Samagra Vedika, a smart Governance solution that uses Emerging Technologies such as Big Data and ML, integrates the Govt. databases for informed decision making. It ensures proper delivery of subsidies and increase in revenues for Government departments. Owing to its utility and potential, Samagra Vedika was mentioned in the Economic Survey of India, 2019 presented in the Parliament.

Telangana State Technology Services (TSTS) is the 'Nodal Agency' for e Governance initiatives including Hardware and Software procurement for all departments of Telangana. TSTS handles major Mission Mode Projects for the state like State Data Centre (SDC), State Wide Area Network (SWAN), Video Conferencing (VC) and Secretariat Campus Area Network (SCAN). TSTS manages the e-Procurement portal and funds, and acts as the fund manager for all IT,E&C department's budget funds.

Major e-Governance Solutions

Dharani Portal

In co-ordination with CCLA, IGRS Department, TSTS is the nodal agency to provide complete technical support for Dharani, a Telangana government's initiative to implement new and completely IT driven Integrated Land Records System.

AUA-ASA Project

TSTS has launched authentication services as Authentication User Agencies (AUAs) to all the Government Departments by using Aadhaar from August, 2017. ABAS reached a big milestone of 10,00,000 authentications per day and the services are being used by 28 Departments of Telangana Government.

Other major initiatives include:

1. Telangana State Building Permission Approval and Self-Certification System (TS bPASS),
2. Telangana State Industrial Project Approval and Self Certification System (TS-iPASS),
3. Telangana State Academy for Skill and Knowledge (TASK)

Some of the Policies implemented by the Government of India towards achieving Good Governance are:

Right to Information (RTI)

The right to information stems from the basic right to free expression guaranteed by Article 19 which empowers all the citizens with the right to freedom of speech and expression. Under this act, an individual can inspect, audit, evaluate, and analyze government activities and decisions to verify that they are in accordance with the principles of public interest, integrity and justice. This ensures the responsiveness of the government to the needs of the community. Thus, the act fosters openness, transparency, and accountability in administration by making the government available to public scrutiny.

MCA21

It is an online portal launched by the Ministry of Corporate Affairs to streamline the processes of businesses. It serves as a single window platform for accessing various information as well as electronic filing of various documents.

Citizen Charter

The Citizen Charter is a voluntary declaration by the service providers with respect to the services delivered and their standards, choice, accessibility, non-discrimination, openness, and accountability. It brings in much needed transparency as to what an individual can expect from the institutions and principles under which the services are offered.

UMANG App

Developed by the Ministry of Electronics and Information Technology and National eGovernance Division, the UMANG App serves as a single platform to access PAN India e-services of the Government. It brings together major government services on a single mobile app so as to enable the accessibility of government services on mobile phones of citizens.

Need of Good Governance

To realize the goals set out in the constitution not only in letter but in spirit calls for the need for Good Governance. The importance of Good Governance is:

Economic Justice

To reduce the inequalities prevalent in society, good governance remains the key. Also, the growth of the economy cannot be achieved with the prevalence of weak administration. Thus, good governance can ensure economic justice in society.

Political Justice

Political justice calls for equal political rights with the population. This can be achieved through transparency and accountability in the established institutions and processes. Good governance can ensure constructive cooperation between the stakeholders of the society and enable the realization of political justice in society.

Social Justice

Social justice calls for fair chances for every individual and ensures an inclusive society. Good governance plays a key role in ensuring social justice by making available the rights to every individual, thereby leading to the prosperity of the society.

Challenges towards Good Governance

Various challenges towards achieving good governance in India are:

Corruption and Nepotism

The prevalence of corruption has been one of the key obstacles to realising effective governance. The complicated and opaque command and control structure, the government's monopoly in being the service provider, an undeveloped legal framework, a lack of information, and a distorted view of individuals' rights have all generated incentives for corruption in India.

Criminalization of Politics

The most insidious challenge to India's democratic governance comes from criminals and musclemen who are increasingly entering the law making bodies. The criminalisation of the political process, the unholy alliance of politicians, civil officials and economic interests are having a negative impact on public policy formation and governance. The political elite as a whole is losing credibility.

Low Levels of Awareness of the Rights and Duties of Citizens

Low levels of awareness operate as a hindrance to effective government; when citizens are unaware of their obligations, they impinge on the freedom and rights of other citizens. Thus, a low level of awareness of the rights and duties of citizens leads to ineffective governance.

Lack of Accountability

The inadequacy of the system to hold the Civil Services responsible for their activities remains one of the reasons for inefficiency in governance. The major reason for this is the lack of separation of powers and accountability on the part of the government and its institutions. Further, the lack of accountability in the government's performance evaluation processes and lackadaisical attitude of citizens toward citizens and their problems has resulted in poor governance.

Ineffective implementation of laws

Hasty and ineffective implementation of laws and policies has led to hardship for the common man and even led to a lack of trust in the government in being a responsible.

Red tapism

The ill-conceived and rigid rules and procedures, in place of easing the realisation of good governance in India, have become a hurdle in itself. The rigid rules have become an end in itself rather than becoming a means to an end.

Addressing the challenges for achieving Good governance

Good Governance is a crucial aspect for the effective functioning of any society. Addressing its challenges requires a multifaceted approach. Here are some strategies to tackle good governance challenges:

Accountability: Ensure that public officials and institutions are held accountable for their actions. Transparency in decision-making processes and mechanisms for reporting and investigating corruption are essential.

Transparency: Foster openness in government operations. Publish information related to policies, budgets, and public services. Citizens should have access to relevant data to hold authorities accountable.

Predictability: Establish clear rules, regulations, and procedures. Consistency in decision-making helps build trust and confidence in governance.

Participation: Involve citizens in decision-making processes. Encourage public participation through consultations, feedback mechanisms, and civic engagement.

Reducing Inequality: Address disparities with regard to resources, services, and opportunities. Prioritize policies that promote equality and social justice.

Balancing Immediate and Long-Term Needs: While addressing immediate challenges, also plan for long-term sustainable development. Striking the balance is very crucial. Good governance is not a one-size-fits-all solution. It requires continuous efforts, adaptability, and collaboration among various stakeholders to create a better future for all.

Impact of Good Governance Practices

Good governance practices have a profound impact on society, influencing various aspects of well-being, progress, and stability. They are as explained below:

1. Social Trust and Cohesion
    a. Good governance fosters trust between citizens and institutions.
    b. When people believe in the fairness and transparency of governance, social cohesion strengthens.
2. Economic Prosperity:
    a. Transparent policies, efficient resource allocation, and stable legal frameworks attract investments.
    b. Economic growth, job creation, and poverty reduction result from effective governance.
3. Access to Basic Services:
    a. Well-governed societies ensure access to education, healthcare, sanitation, and clean water.
    b. Citizens benefit from improved quality of life.
4. Reduced Corruption:
    a. Transparent processes and accountability mechanisms curb corruption.
    b. Funds allocated for development reach their intended beneficiaries.
5. Political Stability:
    a. Good governance minimizes political turmoil and instability.
    b. Stable governments can focus on long-term planning and development.
6. Human Rights Protection:
    a. Ethical governance upholds human rights.
    b. Equal opportunities, justice, and dignity are safeguarded.
7. Environmental Sustainability:
    a. Effective governance balances economic growth with environmental conservation.
    b. Policies promote sustainable practices and protect natural resources.

As such, good governance positively impacts society by promoting fairness, prosperity, and the overall well-being of its citizens.

Conclusion

Effective operation of the government remains the key to the success of everyone. In recent times, when India is the third largest economy in the world, in PPP terms, and striving to achieve its goal of $5 trillion economy, there is a need to reformulate our national plan to give prominence to the Gandhian ideal of "Antyodaya" in order to reestablish good governance in the country. Only when the institutions and processes become efficient and corruption free can the country enjoy better per capita income, widespread literacy, decent health care, and a longer average life expectancy.

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Active Bystander Intervention: A Fundamental Duty of Citizens
Youth will intervene & stop violence, after Bystander Intervention Training

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Entire nation was shocked when 16-year-old Sakshi, was stabbed multiple times by a man in full view of bystanders and pedestrians on a street in Delhi, in May 2023. One bystander made an unsuccessful attempt to stop the perpetrator. He could have gathered few more bystanders and defended using tools available on the street, instead, left in a hurry.

Many crimes happen on streets where bystanders remain mute spectators and do not intervene. It is often assumed that citizens have become unconcerned and lost empathy.
Fortunately, this is not completely true:

Let us divide the bystanders, in a given case, into 3 groups:

- Group 1 may be unconcerned or afraid of their personal safety: *they never intervene*.
- Group 2 feels guilty for their inaction but *they do not intervene*.
- Group 3 is concerned, has empathy, but still cannot step forward - this group faces an invisible hurdle called bystander effect (or diffusion of responsibility): Everyone in Group 3 assumes that someone else will step in and help, none comes forward: *they can be trained to intervene.*

Bystander Intervention Training (BIT) is a program to make aware youngsters of such hurdles, after which they at once realize the flimsiness of these barriers and immediately cross such barriers. Magically, such aware youngsters will be in a position to safely intervene in any potential crimes about to happen in future to stop a crime or injustice or at least reduce severity of violence.

Like bystander effect, there is another barrier, Pluralistic Ignorance or Social Influence: Everyone thinks that If others in the group are witnessing the same thing and walking away, the incident is normal and intervention is not required.

In public, people do not show their feelings. Bystanders look around and if they see other bystanders with no expressions, no one acts.

In addition, such silence provides (unintended) approval for the perpetrator's actions.

Showing feelings of fear, worry, concern, distress, anger or sadness on one's face or making sounds to express emotions can reduce pluralistic ignorance. Shouting could have been gotten other's attention and moved the bystanders to action.

Sakshi's case posed other challenges: Time available for composing oneself was too short…attack took less than two minutes…and not much space was available for bystanders to gather, unite and act. Street was not too bright either.

However, last option ... to call Emergency Response Support System number 112 was not on their minds as they tried to erase the incident from their memory and thus avoid feeling guilty or people are actually not familiar with helplines.

This incident shows that mere existence of Video surveillance is not sufficient; awareness of existence of Video surveillance may deter potential criminals. Here the perpetrator escaped to other town; obviously, he was not aware his crime being recorded.

It is reported that Sakshi used toy gun to warn the perpetrator few days ago. How many girls are aware that Directorate of Ordnance (GoI) sells 0.22" Revolver NIDAR online?[1]

A few girls need to be empowered with training on safe handling of fire weapons and arms licences to boost their confidence levels

BIT is now considered worldwide to be an effective tool in containing crimes against women. In the US, Bystander interventions have been described by the White House Task

[1] at https://ddpdoo.gov.in/product/products/product-details/0-22-revolver-nidar

Force, formed to protect students from sexual assault, as "among the most promising prevention strategies." The Campus Sexual Violence Elimination Act 2013 requires all schools receiving Title IV funding to implement prevention programming that teaches "safe and positive bystander intervention to prevent harm or intervene when there is a risk of violence."

BIT Sessions cover BI tools like Assess, Distract attention, Involving other bystanders and Documenting. Other BI tools like shout, run, share, moving in groups (like birds) and awareness on helplines can be helpful for children also.

In addition, child bravery awardees' stories create confidence among them that a child can not only save herself but with a few skills, they can save other children in need, when required. "We can save others" attitude is far stronger than just "Save yourself" concept to boost the morale of the children.

BIT Sessions also cover topics like Breaking Gender stereotypes in childhood, Gender Inclusive Language, Combating Image based Abuse. Application of BI is possible in addressing various social problems such as:

- Crimes against women & children
- Female Foeticide
- Ragging
- Human trafficking
- Drug abuse
- Terrorism

Active bystandership strengthens the spirit of Fundamental Duties enshrined in the Constitution such as "renouncing practices derogatory to the dignity of women and abjuring violence and promotion of harmony and the spirit of common brotherhood".[1] Introduction of BIT in Indian colleges and universities can be a game changer in creating a culture of mutual respect among boys and girls towards each other as responsible citizens.

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[1] 51A. Fundamental duties It shall be the duty of every citizen of India

..

(e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;

..

(i) to safeguard public property and to abjure violence;

The following case-studies illustrate the concept of Active Bystander intervention and prove that Indians are responsible citizens:

1. **Saying a word is enough**: Brahm Dutt, an e-rickshaw driver, averted the kidnapping of two minor sisters just by asking them a simple question whether they were related to the abductor. When the children answered in negative, Brahm Dutt stopped the auto at a police station and helped in rescuing the sisters.[1]

"I thought I was doing good to the children for their welfare", said Brhma Dutt.

2. Bystanders Rathod Shankar, M. Maruthi, Rathod Raoji Nayak, Syed Azer Ali and Aakash displayed exemplary courage in saving a woman, attacked with a knife by a criminal in Hyderabad in April, 2023. They not only stopped the progress of the attack, tied her bleeding neck with a cloth and sent her to a hospital for treatment.[2]

"We consider it our duty to save a woman from any violence", they said.

[1] (https://special.ndtv.com/justice-for-every-child-87/video-detail/these-are-the-real-life-heroes-sushmita-sen-631993)
[2] https://www.deccanchronicle.com/nation/in-other-news/260423/five-save-women-from-attacker-felicitated.html

3. On 1 Jan.2023, Bal Krishan in Dangri, a village near Rajouri town, a cloth shop owner, used his unused rifle and took on militants. After Bal Krishan started shooting, the militants fled into the forests. If it was not for his quick thinking, the casualties would have been worse.[1]

"The urge to do something for my family and other villagers was strong," Bal Krishan said.

4. Mr Nayan saved a Dutch woman tourist and Nation's image, risking his life, at a resort in Goa, in March 2023.[2] *"I don't feel like a hero. I got a chance to save someone's life and I am happy and blessed that I acted", Nayan claimed.*

Man who came to Dutch woman rescue: 'I don't feel like a hero, it was instinctive'

PAGE 1 ANCHOR

PAVNEET SINGH CHADHA
PANAJI, MARCH 31

"ANYBODY THERE? Help me, help me, help me!"

These were the screams 42-year-old Eurico Nayan Dias heard coming from a distance, as he sat down in the verandah of his house late Tuesday night for dinner with his wife. It was 2 am, and the first thought he had was that he must do something.

The cry for help was coming from a young Dutch woman, who had been attacked by a 27-year-old man working at the resort where she was staying.

Goa Tourism Minister Rohan Khaunte hands a letter of appreciation to Eurico Nayan Dais, Friday. *Express*

"I told my wife I should immediately run and help the woman," said Dias, sitting on a hospital bed, Friday.

Dias dashed for more than 30 metres, through the bushes, and scaled a wall to enter the resort. "The entrance gate to the resort was far, it was a detour… and there was no time," he said.

As he entered the tent from where the screams were coming, he saw a man trying to overpower the woman. "He (the accused) was on the bed, trying to grab hold of her as she resisted… I kicked and punched him, and pushed him away from her. He ran outside. I assumed he would disappear, but as I was giving the woman a bedsheet, he tapped on my shoulder. I turned and saw that he had returned, with a knife," recalled Dias.

"He then started stabbing me – on the back of the head and neck – multiple times. There was blood gushing out. I thought I

CONTINUED ON PAGE 2

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https://epaper.indianexpress.com/c/72075894

Bystander Intervention can contain crimes against women & children. The above 4 case-studies are the proof that Active Bystandership can save precious lives and Indians are responsible citizens.

[1] https://indianexpress.com/article/cities/jammu/rajouri-shop-owner-who-took-on-militants-used-rifle-after-24-years-8359742/

[2] https://indianexpress.com/article/cities/goa/man-who-came-to-dutch-woman-rescue-i-dont-feel-like-a-hero-it-was-instinctive-8531420/

The Role of Blockchain Technology in E-Governance – A study on Transforming Governance

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In today's digital era, the concept of governance is evolving rapidly, driven by technological advancements. One of the most promising innovations in this regard is blockchain technology. Blockchain, originally designed as the underlying technology for cryptocurrencies like Bitcoin, has found applications far beyond its initial purpose. One such application is in e-governance, where blockchain is revolutionizing the way governments operate, making processes more transparent, efficient, and secure. This review paper studies and explore the potential of blockchain in e-governance and its implications for the future.
Keywords: Blockchain, e-governance, digital transformation

Introduction

Over the past decade, the government sector has undergone a profound and rapid digital transformation. This transformation has been driven by the increasing demand for streamlined services, greater transparency, and improved efficiency. This shift, often referred to as "digital governance," represents a fundamental reimagining of how governments operate, interact with citizens, and deliver public services. Digital governance encompasses a wide range of initiatives and strategies aimed at leveraging technology to enhance transparency, efficiency, accountability, and citizen engagement within the public sector (Rajesh 2016: 782-791). Governments worldwide have embraced digital technologies to modernize their operations, enhance citizen engagement, and harness data-driven insights for informed decision-making. From the adoption of e-government platforms and mobile applications to the implementation of cloud computing and data analytics, the government sector's journey into the digital age has fundamentally reshaped the way public services are delivered and managed.

What is Blockchain Technology?

At its core, blockchain is a distributed ledger technology that allows multiple parties to record and verify transactions without the need for intermediaries, such as banks or government agencies. It achieves this through a decentralized network of computers (nodes) that work together to validate and record transactions in a secure and transparent manner.

How Does Blockchain Work?

Blockchain primarily functions based on the following properties

1. **Decentralization**: Unlike traditional centralized systems, where a single entity has control, blockchain operates on a decentralized network of nodes. Each node has a copy of the entire blockchain, making it extremely difficult for any single entity to manipulate the system.
1. **Blocks**: Transactions are grouped together into blocks. Each block contains a set of transactions and a unique identifier called a cryptographic hash. This hash is generated based on the information within the block and the hash of the previous block in the chain.
2. **Consensus Mechanisms:** To add a new block to the blockchain, nodes must reach consensus. Various consensus mechanisms, such as Proof of Work (PoW) and Proof of Stake (PoS), ensure that only valid transactions are added to the ledger.
3. **Immutability**: Once a block is added to the blockchain, it becomes nearly impossible to alter. Any attempt to change the information in a block would require altering every subsequent block, which is computationally infeasible due to the decentralized nature of the network.

Role of Blockchain in Digital Governance: The following properties of Blockchain Technology enables seamless governance.

Transparency and Trust

One of the fundamental issues in traditional governance systems is the lack of transparency, leading to distrust among citizens. Blockchain addresses this problem by offering a decentralized and immutable ledger. Every transaction or action taken within the system is recorded in a transparent and tamper-proof manner, accessible to all stakeholders (Smith, John 2022: 245-263). This transparency builds trust among citizens as they can verify government actions, expenditures, and policies in near-real-time.

Secure Identity Management

Identity theft and fraud are significant concerns in e-governance. Blockchain can provide a solution through secure identity management (Patel, Priya2021: 176-190). Citizens' personal information can be stored on a blockchain, and access can be controlled through cryptographic keys. This eliminates the need for centralized databases vulnerable to breaches, ensuring the privacy and security of citizens' data.

Efficient Supply Chain Management

Governments often handle the distribution of goods and services, such as food, medicines, and public funds. Blockchain can be used to create transparent supply chain systems. By recording the journey of products and funds on the blockchain, governments can ensure that resources are allocated efficiently and the right people eligible for the subsidies and govt funds can get benefitted.

Smart Contracts for Governance

Smart contracts, self-executing contracts with the terms directly written into code, can automate various governance processes. These contracts can be used for tasks such as budget allocation, procurement, and contract enforcement (Garcia, Maria 2019: 54-68). The transparency and immutability of blockchain ensure that smart contracts are executed exactly as programmed, reducing the risk of fraud and corruption.

Data Integrity and Record Keeping

Governments generate vast amounts of data and maintain extensive records. Blockchain technology can improve data integrity and record-keeping by ensuring that once data is entered into the blockchain, it cannot be altered without consensus. This eliminates the risk of data manipulation and ensures the accuracy of government records.

Cross-border Collaboration

Blockchain has the potential to facilitate cross-border collaboration among governments. Interoperable blockchain networks can be used to securely share information and coordinate efforts in areas such as disaster relief, immigration, and trade. This can lead to more efficient and effective governance on a global scale.

Implementation of Blockchain in Govt Sector across different countries

1. **Estonia's E-Residency Program:** Estonia is a pioneer in using blockchain for e-governance. Their E-Residency program allows individuals worldwide to become digital residents of Estonia, with access to its services. Blockchain ensures the security and authenticity of digital identities, enabling e-residents to establish and manage businesses remotely.
2. **Dubai's Blockchain Strategy:** Dubai aims to become the world's first blockchain-powered government by 2020. They have initiatives across various sectors, including healthcare, transportation, and tourism, all aimed at enhancing efficiency and security through blockchain technology.
3. **Georgia's Land Registry on Blockchain:** Georgia has adopted blockchain to secure land titles. Land registries on the blockchain provide transparency and prevent fraudulent land claims, making the process more secure and trustworthy.
4. **Singapore's TradeTrust:** Singapore's Trade Trust is a blockchain-based platform that streamlines the verification and authentication of trade documents, reducing fraud and inefficiencies in global trade. It enhances transparency in the supply chain.
5. **West Virginia's Blockchain-Based Voting:** In the United States, West Virginia implemented a blockchain-based mobile voting system for overseas military personnel in 2018. This secure and transparent system aims to increase voter turnout among this demographic.

Challenges and Key Considerations

While blockchain offers numerous benefits for e-governance, there are also challenges to consider. Scalability, energy consumption, and the need for skilled personnel are some of the

hurdles governments must overcome when implementing blockchain solutions. Additionally, there is a need for legal frameworks to govern blockchain-based systems, addressing issues of jurisdiction and accountability.
According to Park et al, The future of blockchain technology is likely to involve increased interoperability between different blockchain networks, the development of more sustainable consensus mechanisms, and the integration of blockchain into everyday applications. As the technology matures, it has the potential to disrupt various industries and transform the way we conduct business and secure data.

Blockchain technology holds immense potential to transform e-governance by enhancing transparency, security, and efficiency. By leveraging blockchain's features, governments can build trust with their citizens, streamline processes, and reduce the risk of corruption and fraud. However, successful implementation requires careful planning, collaboration, and consideration of the associated challenges. As blockchain continues to evolve, it has the potential to reshape the way governments operate, leading to more accountable, efficient, and citizen-centric governance systems.

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Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021

Protection from Malicious Content or Chilling Free Speech?

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The rapid development of the internet has led to the rise of several new platform businesses and industries. This has in turn led to many opportunities for end-users to create, share, or consume content as well as to conduct transactions using the internet. The rapid evolution of the internet and the resulting digital environment made it essential for the Government of India to promulgate regulation governing the behaviour of individuals as well as organizations online. This was done through the Information Technology Act, 2000 that also authorised the Government to issue the Information Technology (Intermediaries Guidelines) Rules, 2011. The evolution of this sector that was observed in the past decade necessitated the updating of these rules resulting in the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. However, some of the provisions of these rules have attracted widespread concern. While most of the attention was focused on the aspects of the rules governing digital media organizations, in this paper, we look at the challenges the current phrasing of the rules can pose to content creators thus leading to a chilling effect on free speech.

Introduction

The internet has evolved considerably over the last decade. Many platforms and websites which were dominant in the latter half of 2000s are no longer present and have been replaced by newer technologies/websites. Newer markets and industries have sprung up which offer the end user a wide variety of options to consume/distribute content. Given this rapidly changing environment, it was imperative for the Government to modify and update the older rules which were notified in 2011 governing the behaviour of different internet intermediaries.

The Ministry of Electronics and Information Technology of the Government of India has notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 on 25 February 2021. These rules (hereafter referred to as “New IT rules”) issued in accordance with the Information Technology Act, 2000 superseded the Information Technology (Intermediaries Guidelines) Rules, 2011. These rules are applicable to intermediaries, and digital media content developers & publishers. The latter category includes online only publishers of news, current affairs, entertainment programs, and curated content (Ministry of Electronics and Information Technology, 2021).

These New IT rules define the actors in the digital media space to whom these rules will be applicable – actors such as ‘publisher of news and current affairs related content’, ‘publisher of online curated content’, ‘social media intermediary’, ‘significant social media intermediary’, and ‘online gaming intermediary’. These rules are also broken down into two parts each of which is applicable to specific set of companies and governed by the rules and mechanisms of respective ministries. Part II of the New IT rules are applicable to all intermediaries with some additional due diligence to be performed by specific categories of intermediaries like significant social media intermediaries. Part III of the New IT rules are applicable to publishers of new and current affairs content as well as publishers of online curated content. In this paper, we will primarily be looking at Rule 3 of the New IT rules and analyse its possible impact by drawing parallels from previous experience with copyright legislations (both in India and overseas) where such onerous provisions placed on intermediaries have led to unforeseen costs for society.

New IT Rules – A focused look at Rule 3

Part II of the New IT rules are applicable to intermediaries, a term which is defined by The Information Technology (Amendment) Act, 2008. The rules lay down the obligations of intermediaries in general with some rules that are specifically applicable to significant social media intermediaries. These obligations include disclosure norms to the users of the intermediaries, functions of the intermediaries with respect to legal orders or judgements, notification and appointment of key managerial & grievance redressal officials in the intermediaries, and timelines by which several of the actions mentioned in Part II have to be completed by the intermediaries (Ministry of Electronics and Information Technology 2021). While several of these obligations appear to be reasonable expectations one can have from companies who have come to play such a big role in our online interactions, the language with respect to some of these rules is very vague. This leads us to the conclusion that while the rules may be well intentioned, the vague nature of the terms used in the rules leaves them open to subjective interpretation of authorities – either from the current administration at the Centre and State levels or future administrations.

The provisions made by Rule 3 require intermediaries to perform due diligence by publishing on their platform (website and/or mobile application) the terms & conditions for accessing the services provided by the intermediary. They also have to inform the users to not "host, display, upload, modify, publish, transmit, store, update or share any information that" (Ministry of Electronics and Information Technology, 2021, p. 21) would violate the various provisions mentioned in Rule 3 (1) (b). Some of these provisions deal with information that is obscene, pornographic, harassing, invasive of another's privacy etc[1]. Other provisions deal with information that does not belong to the user or infringing on the intellectual property of another person like patents, trademarks, or copyrights. Additionally, the intermediary also must remind the users periodically of any changes in the terms & conditions and the consequences of violating these terms & conditions, comply with judicial or administrative orders which direct the intermediary to not store, publish or transmit specific kinds of information, undertake appropriate security practices, retain information for a specified period as required, etc. (Ministry of Electronics and Information Technology, 2021)

[1] The New IT rules when they were introduced in February 2021 originally also required intermediaries to inform their users not to "host, display, upload, modify, publish, transmit, store, update or share any information that" (Ministry of Electronics and Information Technology, 2021) was 'defamatory' or 'libellous'. These descriptors of information were removed in the modification made to the rules on 6 April 2023.

Rule 3 (2) (a) lays down the timelines for receiving complaints and processing them. According to this rule, all intermediaries must appoint a Grievance Office whose name and contact details have to displayed prominently on the website or application or both (as applicable) of the intermediary. The mechanism by which users and victims can lodge complaints "against violation of the provisions of this rule or any other matters pertaining to the computer resources made available by" (Ministry of Electronics and Information Technology, 2021, p. 23) the intermediary with the grievance officer should also be prominently displayed. Additionally, the clause also states that the grievance officer should:

i. "acknowledge the complaint within twenty four hours and dispose off such complaint within a period of fifteen days from the date of its receipt;
ii. receive and acknowledge any order, notice or direction issued by the Appropriate Government, any competent authority or a court of competent jurisdiction." (Ministry of Electronics and Information Technology, 2021, p. 23)

Upon receiving a complaint alleging the violation of provisions of Rule 3, the intermediary has fifteen days within which to take a decision whether to remove the content which allegedly violates these provisions or to dismiss the complaint (Ministry of Electronics and Information Technology, 2021). The responsibility to determine this would depend on the employees/contractors of the intermediary who are required to decide on the complaint based on its merits and established legal principles. However, even in alleged copyright infringement where there is clear established jurisprudence on what constitutes fair-usage rights, we have seen intermediaries deleting content posted by users who have a fair-use right to share/post/upload such content. Thus, the burden of proof shifts from the intellectual property owner to the user who posted the content. Instead of the intellectual property owner having to prove that the content violates copyright law before removing the content, this practice shifts the burden of proof onto the content creator who then must prove that their content does not infringe on any copyrights/other intellectual property.

Comparison with US DMCA and Indian Copyright Law

This is not the first time a provision has been created to remove content on intermediaries when a complaint alleging copyright infringement is received (or infringement of other forms of intellectual property). Countries across the world have allowed for content to be removed from websites and the platforms of intermediaries. In several cases, while the law only allows for content to be removed in the case of legitimate purposes, in practice these provisions are much more broadly applied. For example, the Digital Millennium Copyright Act (DMCA) of 1998 is a United States law which requires intermediaries to "take down or block access to websites that are alleged to contain content that infringes intellectual property rights" (Kreimer, 2006, p. 23). However, as pointed out by Kreimer in his paper, these provisions have often been deployed by copyright holders to remove or block access to content which is not infringing in nature. Frequently, copyright holders have used these provisions to take down content to which they object (as in the case of WhiteHat Jr review posts in India which is discussed below). Copyright holders have also sought to push the boundaries of the remedies available to them by trying to get intermediaries to disclose the identities of the person(s) who allegedly violated their copyright without the orders of the appropriate authorities (Kreimer, 2006). Using DMCA as a tool to get content removed from the websites of intermediaries is not limited to copyright holders or actors based in the United States. There have been numerous instances where allegedly infringing content has been removed where both the content creator and the copyright owner whose intellectual property is allegedly infringed are based outside the United States. Bertoni and Sadinsky point to one such instance in their paper where a documentary of an Ecuadorian filmmaker was removed from YouTube for allegedly violating copyright rules due to using approximately 20 seconds of footage of the Ecuadorian President addressing the nation (Bertoni & Sadinsky, 2015). Bertoni and Sadinsky argue that the "DMCA is often used to get content removed during pivotal political moments or in the midst of campaign cycles, silencing oppositional voices when they count most" (Bertoni & Sadinsky, 2015, p. 4).

In 2020, India saw a similar situation when multiple posts critiquing ed-tech platform WhiteHat Jr. (WHJ) were removed from across social media platforms (Kadakia, 2020). One of the videos taken down included 12-year-old Jihan Haria's YouTube video, posted on his YouTube channel 'Just Jihan' which was a comment on a WHJ advertisement (Kadakia, 2020). The video was taken down without a court order directing YouTube to do so, within hours of being posted despite the exception under copyright law which permits reusing videos for reviews or commentary (Kadakia, 2020). Several videos posted by another WHJ critic, Pradeep Poonia, were taken down even though the videos did not even use footage from the company (Kadakia, 2020). At least six of Poonia's videos were taken down from his first YouTube channel, WhiteHat Sr. After his first channel was suspended, eight videos were taken down from his second YouTube channel Safed Topi (Kadakia, 2020). The WHJ example demonstrates the tilt that exists under the Copyright Act, in favour of the interests of the IP holder. In a similar case, YouTube creator Salil Jamdar's video parodying the competition between PewDiePie and T-Series was taken down after a copyright claim was filed by T-Series. Like Poonia, Jamdar's video contained no copyrighted material (Arora, 2020).

Adler has pointed out why intermediaries often "over-comply" with take-down requests (Adler, 2011). Although Adler's analysis is restricted to US copyright law, the same applies within the Indian context in terms of its effect on free speech (Adler, 2011). Firstly, keeping corporates such as WHJ happy is a business incentive for most intermediaries. For example, the very advertisements that Jihan Haria and Poonia criticised on their YouTube channels bring in thousands of dollars of revenue for the YouTube. Secondly, by complying with takedown requests intermediaries avoid frivolous litigation brought in by the plaintiffs. In 2013, T-Series (owned by Super Cassettes Industries Ltd.) moved the Delhi High Court against YouTube and its parent company Google, for "rank infringement" i.e., allowing users to use their music in their videos. Although the matter was later settled outside court, the Delhi HC had passed an interim order in favour of T-Series (Singh & Bhullar, 2020). Thus, despite immunity under safe harbour provisions, intermediaries have plenty of reason to comply with take-down requests.

Conclusion

The costs imposed on society due to the usage of copyright law to remove content which allegedly infringes on another person's intellectual property without determining if the content owner infringed on the rights or has "fair use" rights far outweigh whatever benefits that may accrue to the copyright holder in such a case. Instead of the intermediaries determining if the copyright is being infringed, they pass the responsibility onto the content creator to prove that the content creator has not infringed on anyone's rights. Despite there being clear guidance from the judiciary and ample jurisprudence clarifying the issues at the heart of these disputes/instances, this behaviour continues to be repeated by the intermediaries. One can only wonder how the New IT rules will be applied with respect to other provisions of Rule 3 (1) (b) and if the response of intermediaries will be to take a sledgehammer to a problem which can be and needs to one to use a scalpel. If this indeed does come to pass as the authors fear, it will have (Ministry of Electronics and Information Technology, 2023) a chilling effect on free speech.

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Digital Transformation of Financial Sector in India- Evolution, Issues and Challenges

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The Indian financial sector has made significant strides in its digital journey, driven by government initiatives, technological innovation, and changing consumer behavior. This transformation has not only improved access to financial services but also increased its efficiency and transparency. The adoption of digital financial transactions in India is essential for promoting financial inclusion, convenience, transparency, and economic growth. It empowers individuals, reduces costs, enhances security, and is in synch with the government's agenda for encouraging digitalization and financial literacy in the country. Encouraging digital adoption will likely continue to be a priority in India's efforts to modernize its financial sector and promote economic development. The growth of UPI transactions in India can be attributed to its simplicity, interoperability, government support, security features, low transaction costs, and widespread acceptance. It has not only transformed the way Indians transact but has also been a catalyst for improving financial inclusion and digitalization in the country. Ongoing education, robust security measures, and improvements in infrastructure are crucial for the sustainable growth of digital financial payments in India. Additionally, the advent of COVID-19 pandemic increased the speed of digital financial transactions in many countries, including India, further emphasizing the importance of digital payment systems in today's global economy. Inspite of tremendous growth in the digital transactions in India a number of challenges like internet connectivity, cyber frauds, technological disruptions, language barriers, limited computer literacy etc. pose a sizeable threat to the growth of digital financial transactions in India and has the capacity to create disparities between the haves and have nots of the society. Addressing *these challenges requires a coordinated effort from government authorities, financial institutions, technology providers, and users themselves. The article traces the evolution of digital journey in India, the need for adoption of digital financial transactions, reasons for growth of digital transactions, challenges faced in its implementation, spread of digital transactions globally and the way forward.*

*Key words**:** cyber frauds, cyber security, demonetization, digital, digital India, financial, financial inclusion, fintech, mobile wallets, NPCI, UPI.*

Introduction

The financial ecosystem in India has for long been bossed by the trading community, middlemen and brokers who used traditional methods of recording and analyzing the financial transactions. However, over a period of time, the traditional methods have given way to coolness of spreadsheets and softwares using desktops and laptops. This has been made inevitable because of the fast spread of digitization in the financial sector. Digital transformation in the financial sector refers to the adoption of relevant technologies to facilitate the customers; augment processes of operations and create innovative products and services as per the needs of the customers. This process actually involves a number of novel methods including designing mobile banking apps, using artificial intelligence to improve customer service and adoption of block chain technology to provide foolproof and secure financial transactions. The journey of the Indian financial sector towards digital transition started in the early 2000s, with the privatization of banking sector. These banks in the private sector adopted the best technological practices like online banking, plastic cards and ATMs to provide a seamless banking experience to the Indian consumers who had been traditionally starved of such products and services. The speed of adoption of digital financial services in India was initially slow but over a period of time the pace has increased substantially basically due to the improved accessibility and strengthening of the digital ecosystem and the growing appetite of the Indian consumers for digital financial services even in the far-flung remote areas. The Government of India's enthusiasm and push to achieve a cashless economy, especially after the demonetization drive in 2016 has proved to be a catalyst for the fast transformation of cash economy to the digital one. Digital India, the flagship program of the Govt. of India, has also contributed immensely to creating the awareness, adoption and growth of the digital financial services in the country. Since the last decade the digital payment revolution has struck the country with the usage now reaching the masses. The successful trinity of ADHAAR or the unique identity of each citizen, Jan Aadhaar universal bank accounts and burgeoning smartphones penetration with low cost data availability has accounted for the boom in digital financial transactions.

Review of Literature

Renu Singh and Garima Malit (2019) observe that the banking services have improved steadily with the adoption of digitalization in the country. This has enhanced the customer services and actually provided them all products and services at their doorsteps using a laptop or a smart phone. Though, the Indian banking industry has adopted the latest technology for providing best services to the consumers but there has been a substantial difference between the rural and urban customers. The urban banking customers, due to various reasons, have adopted the technology well, whereas the rural ones still have a number of issues in the usage of the technology for conducting financial transactions. The article evaluates the various openings of growth due to the increased rural banking and also the pitfalls associated with the same. It also highlights the significance of increasing financial literacy in today's time.

Shruti Sharma and Himani Upreti (2022) remark that all organizations need to adapt to the changing environment in order to survive in this cut throat competition. They should adopt latest tools of artificial intelligence and automation for not only their survival but also their future growth. The organizations in the financial sector are no exceptions and, therefore, they should also keep pace with the changing technology in order to compete effectively, economically and efficiently in today's competitive era.

Inese Mavlutova, Aivars Spilbergsetal (2020), observe that the financial sector is changing due to the advent of novel, new technologies especially digital modes of payments. As a result, the financial sector is becoming sustainable due to increasing efficiency in its operations and widening the customers base by addition of all in the formal banking sector. The study highlights two aspects firstly the trends of changes in financial sector due to adoption of technology and the increased sustainability of financial institutions due to the new technology. Secondly, it focuses on the correlation between the increase of digital payments and its impact on the operational efficiency and financial inclusion of the financial institution's in Baltic States vis a vis various countries in Europe.

Lambert Kofi Osei, Yuliya Cherkasova and Kofi Minta (2023) conducted a study primarily to review the intellectual framework of the digital banking transformation. The authors' findings conclude that countries including UK, USA, Germany and China have conducted the largest number of studies regarding the issue of digital banking transformation.

Dr.S.Amudhan, Dr. Sayantani Banerjee, Dr.J.Poornima (2022), observe that theorganization, data, software and technology are the four major players involved in digital transformation. In the context of India, its banking system plays a crucial role as trustees of public money and its parking in the relevant profitable business. In India and similarly placed third world countries the banks play an important role in the public finance domain as other financial institutions are still evolving. Therefore, it is vital that the banks' stability be ensured. The article concluded that adoption of digital banking services has a significant impact on the rural customers.

Dr. Anand Patil remarks that the usage of digitization in the financial sector has increased due to the advent of fintech sector. Various financial sector companies in India have adopted innovative technology to address the growing aspirations of the people. The author feels that a number of new opportunities and related challenges have arisen due to the advent of technology in our financial ecosystem. This paper tries to address those opportunities and related barriers caused by digitalization in the financial arena.

In this study Fotis Kitsios, Ioannis Giatsidis; Maria Kamariotou (2021) seek to examine the usage of digital transformation in the realm of banking in Greece. A sample of one hundred and sixty-one employees of Greek banks participated in the survey. This paper studies the perception of bank employees with regard to new technologies. The study provides a roadmap for executive education in the Greek banks and suggests targeted training programs for the employees to for smooth transition towards digital banking.

Cristian Alonso, Tanuj Bhojwani, Emine Hanedar, Dinar Prihardini, Gerardo Una and Kateryna Zhabska observe that in India, the digital payments have attained wide acceptance with only the UPI taking care of around 68 percent of all financial transactions made. The adoption of digital payments has augmented the number of customers of micro & small traders, helped in formalizing their financial records and improved their chances of getting credit from formal channels. Around 45 lakh individuals and small businesses have reaped the benefit of formal credit. Due to this change around 88 lakh new taxpayers have registered for GST network till 2022 thus resulting in resilient tax collection. The paper concludes that certain systems and processes of India's digital transformation like ADHAAR would be difficult to reproduce by other countries.

Objectives

The objectives of the study are listed below: -

- To understand the digital journey of Indian financial sector.
- To highlight the initiatives undertaken by Government of India for promoting digital financial transactions in the country.
- To understand the reasons for the continuous acceleration of financial transactions in India.
- To study the challenges in the growth of digital financial transactions in India.
- To compare the usage of UPI transactions in India with other countries.
- To highlight the way forward for the digital finance in India.

Research Methodology

The research methodology followed is as under:

Data Collection

The study is based on data derived from secondary sources. The said information has been collated from various published sources like literature published by Ministry of Finance, Government of India, RBI, NITI Ayog, journals, magazines, newspapers, research papers, websites, etc.

The Digital Journey of Indian Financial Sector

Digital payments include those financial transactions wherein no physical cash is involved and the transactions use the technology for the transfer of money from one bank account to the other. Various types and methods of digital financial modes are being used in our country for trade and commerce. These include: ATM Cards, Micro ATMs, Bank Prepaid Cards Aadhaar Enabled Payment System (AEPS), Internet Banking, Mobile Banking, PoS Terminals, Unified Payments Interface (UPI), Mobile Wallets, Unstructured Supplementary Service Data (USSD),etc.

The usage of digital technology has revolutionised the payments methods and thus the functioning of financial sector in India which has been transformed into an efficient, inclusive and effective tool for the benefit of the consumers. The novel innovations introduced in the financial sector are discussed hereunder:

- ***Mobile Wallets****:* Companies like Paytm, PhonePe, and Google Pay have introduced mobile wallets that enable users to store money digitally and make quick payments for a wide range of services.
- ***Digital Lending Platforms:*** Several fintech companies and digital lending platforms have emerged, offering quick and hassle-free loans to individuals and businesses. These platforms use data analytics and AI to assess creditworthiness.
- ***Fintech Ecosystem:*** India has witnessed a burgeoning fintech ecosystem with start-ups and established financial institutions collaborating to offer innovative solutions across various domains, including payments, lending, insurance, and wealth management.
- ***Rural and Urban Connectivity:*** The penetration of smartphones along with affordable data connections both 3G and 4G in the urban as well as rural India has played a pivotal role in expanding access to digital financial services.
- ***Digital Insurance:*** Insurtech start-ups have simplified the purchase and management of insurance policies through digital channels, making it easier for individuals to protect their assets and health.
- ***Online Brokerages:*** Online trading platforms like Zerodha and Upstox have democratized stock trading by offering low-cost trading and user-friendly interfaces.
- ***Robo-Advisors:*** The use of artificial intelligence and Robo-advisors for furnishing investment and portfolio management advisory to the clients after studying the algorithms.

- ***KYC Digitization:*** The digitization of Know Your Customer (KYC) processes has made it easier for financial institutions to onboard customers remotely, reducing paperwork and simplifying the customer experience.
- ***Open Banking:*** India has been exploring the concept of open banking, allowing third-party fintech providers to access customer data with their consent and offer innovative financial services.
- ***Cybersecurity and Data Privacy:*** As digital financial services expanded, so did concerns about cybersecurity and data privacy. Various laws and rules have been promulgated to protect the hapless investors from cyber frauds.

Digital Financial transactions in India

The journey of digital financial transactions in India is depicted as under:

Table 1: Digital Payment Transactions in India from 2017-23

Sr. No.	Year	Digital Transactions - Current (Crore)	BHIM Transactions - Current (Crore)	Debit Card - Current (Crore)
1	2017-18	2,070.95	91.31	334.34
2	2018-19	3,134.31	535.16	441.79
3	2019-20	4,571.78	1,251.75	512.38
4	2020-21	5,554.12	2,232.95	411.47
5	2021-22	8,637.87	4,560.79	414.75
6	2022-23	12,644.99	8,324.05	380.2

Source: RBI, PIB, NPCI, DigiDhan Dashboard

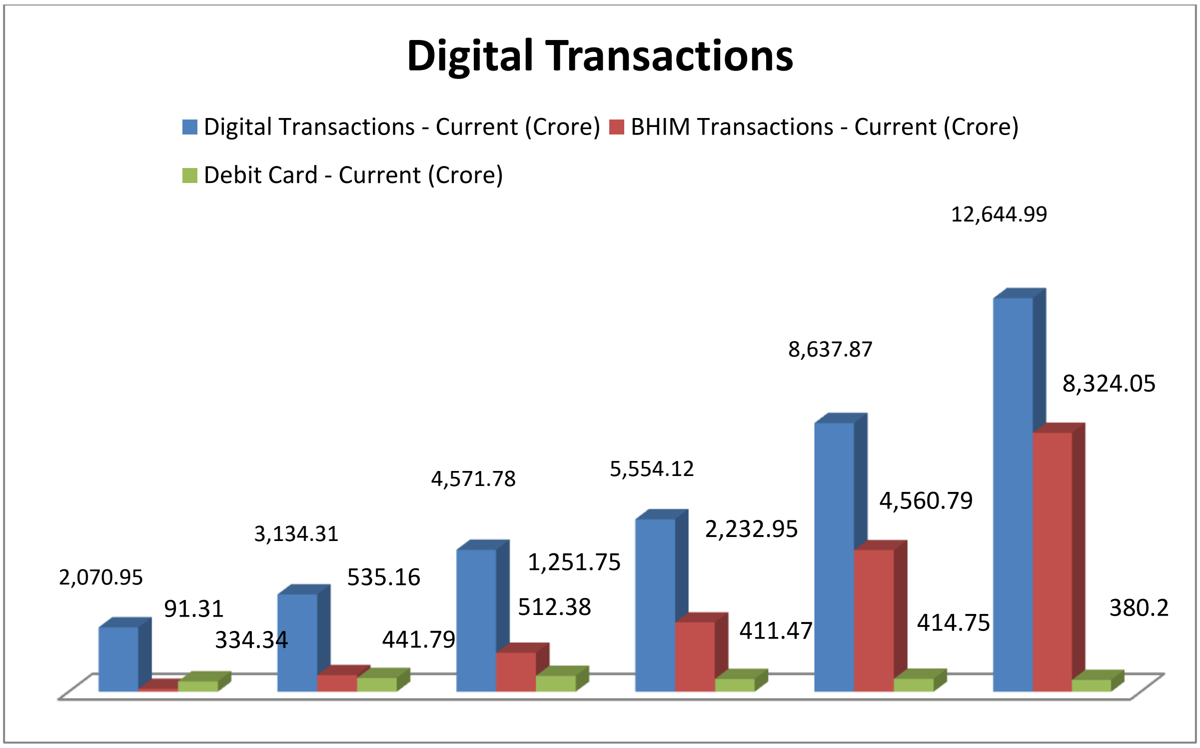
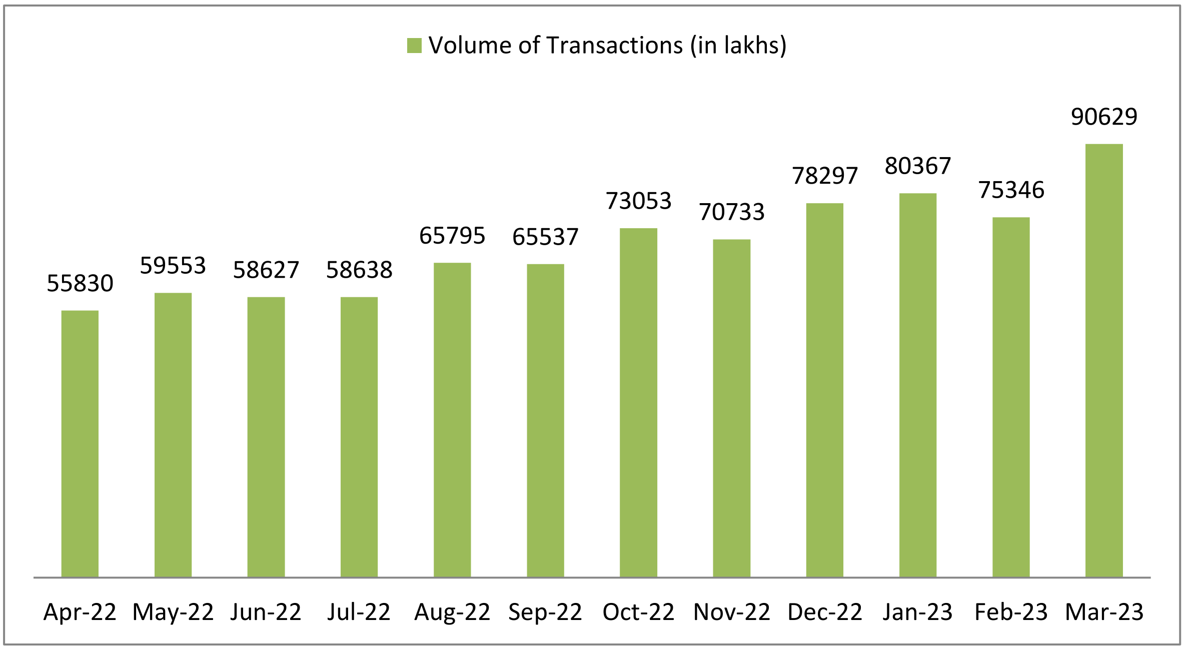


Table 2: Monthly Growth of BHIM-UPI Transactions

Sr. No.	Month	Volume of Transactions (in lakhs)
1	Apr-22	55830
2	May-22	59553
3	Jun-22	58627
4	Jul-22	58638
5	Aug-22	65795
6	Sep-22	65537
7	Oct-22	73053
8	Nov-22	70733
9	Dec-22	78297
10	Jan-23	80367
11	Feb-23	75346
12	Mar-23	90629

Source: Ministry of Electronics and Information Technology, DigiDhan Dashboard



As a result of all of the above technology adoptions, the digital financial transactions have increased manifolds in India, especially after COVID 19. In the past nine years, India has experienced a more than 100-fold increase, in the number of digital transactions, from just 127 crores in 2013–14 to 89880 crores as of April 2023. In order to encourage the Indian citizens to shift towards a less cash society, the GoI developed and introduced consumer friendly digital payment platforms like Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), Immediate Payment Service (IMPS), prepaid payment instruments (PPIs) and National Electronic Toll Collection (NETC) system. All these platforms received tremendous response from the general public which led to a phenomenal growth in the digital financial ecosystem. Unified Payments Interface (UPI) which was launched in 2016 on a pilot basis with 21-member banks has revolutionized digital payments in India by facilitating users to make instant payments and transfer funds using their smartphones. At the time of its launch, the payments through UPI which only accounted for 6% as compared to 36% card payments has expanded to 63% vis- a- vis card payments which has shrunk to 9%, in 2021. In April 2023, 33 Cr+ Indian UPI users undertook 89880 crores digital payment transactions valued at Rs. 14.07 lakh crore, making UPI the nation's favourite method of payment. Thus, out of every four digital transactions made in India three are undertaken on UPI. One of the global surveys by Mastercard in India in the year 2022 revealed that around 93% of Indians made digital payments last year. More than half of these transactions were done via QR codes or digital money transfer apps in India.

Initiatives of Government for Promotion of Digital Transactions

The Indian government, eager to achieve a cashless economy, has been actively promoting digital financial transactions as part of the Digital India program. The main objective of the Digital India mission of the GoI is to convert the country into an empowered society driven by technology and move towards a knowledge economy. It has spurred the growth of digital financial services with handy initiatives like UPI, Aadhaar-based authentication, and e-Governance services. The use of Aadhaar, India's biometric identity system, has streamlined identity verification and made it easier to access financial services. In order to promote digital payments and create awareness about the benefits of digital payments the government launched DigiDhan Mission in June 2017. Accordingly, the Government developed consumer friendly digital financial platforms like BHIM UPI, Aadhaar Pay, UPI-QR Code, debit cards, NEFT and RTGS having very little or no charges attached to them. The government also launched Aadhaar Enabled Payment System (AePS) to facilitate a bank customer especially in rural and semi urban areas to access his bank account and make transactions without an ATM machine. Affordable smartphones and cheaper internet connections are the main reasons for the fast adoption and expansion of UPI in the country even amongst the poorer sections.

Reasons for the Growth of UPI transactions in India

Digital financial transactions network has spread substantially in India, off late, owing to a number of factors like push by the government, increased accessibility of internet and smartphone and the unprecedented growth in online shopping. One major reason is the adoption of Unified Payments Interface (UPI), which ensures transactions from one bank to the other in real-time and the Bharat Interface for Money (BHIM) app, which is responsible for digital financial transactions using smartphones.

The key reasons are discussed as under:

- ***Demonetization:*** After the announcement of demonetization policy by the GoI in 2016, the citizens were encouraged to go for less cash using various digital financial platforms including UPI, as people sought alternatives to cash for their transactions.
- ***User-Friendly Interface:*** UPI offers a simple and user-friendly interface that allows individuals to make payments and transfers using just their smartphones. The customer friendly process makes it inclusive and easily applicable for all sections of people including the ones who are tech-challenged.
- ***Interoperability:*** This means that the clients can pay or receive money between various banks and wallets seamlessly, eliminating the need for multiple payment apps.
- ***Wide Acceptance:*** UPI is accepted by a vast network of merchants, online retailers, utility companies, and service providers across India. This widespread acceptance has made it a preferred choice for both online and offline transactions.
- ***Government Support:*** The GoI has initiated and developed various interface like National Payments Corporation of India (NPCI) and UPI for supporting the digital financial revolution. Initiatives like "Digital India" and "Jan Dhan Yojana" have helped in its adoption by promoting digital payments and financial inclusion.
- ***Security**:* UPI transactions are highly secure. They typically require two-factor authentication, with options like PIN and biometrics (fingerprint or iris scan), ensuring that only authorized users can make transactions. This has built trust among users.
- ***24/7 Availability:*** UPI transactions can be conducted 24/7, including weekends and holidays. This availability makes it convenient for users to make payments and transfers whenever they need to, without being restricted by banking hours.
- ***Low Transaction Costs**:* Many UPI transactions are either free or come with very minimal transaction costs, making it an economical choice for users as against other platforms like credit cards, which often charge hefty transaction charges.
- ***Financial Inclusion**:* UPI has played a significant role in bringing the non-banked citizens to banks. It has facilitated the citizens who were without bank accounts to open digital bank accounts and transact digitally.

- ***Direct Benefit Transfers by Government**:* The government has increasingly used UPI for disbursements of subsidies, benefits, and direct transfer of funds to citizens' bank accounts. This has driven adoption among a large segment of the population besides plugging the leaks.
- ***Fintech Innovation**:* The UPI ecosystem has seen continuous innovation from fintech companies, which have introduced a variety of apps and services built on top of the UPI platform. These include payment apps, financial management tools, and lending platforms, making UPI even more versatile.
- ***Consumer Trust:*** The success of UPI has built trust among consumers, who have come to rely on the system for everyday transactions, bill payments, online shopping, and more.

Issues and Challenges in Digital Financial Transactions in India

Some of the key challenges include**:**

- ***Cybersecurity Issues:***

  As UPI transactions involve sensitive financial data and personal information, they are susceptible to cyber-attacks and fraud. Cybersecurity threats, including phishing, malware, and hacking attempts, can compromise the security of UPI transactions**.** Recent data from the Indian Computer Emergency Response Team (CERT-In) alarm that India encountered a total of 13.91 lakh reported cyber fraud cases in 2022.According to another report on cyber security; more than half of the Indian population don’t have the required knowledge and skill set to protect themselves from cyber frauds.
- ***Rural Adoption:***

  Many users, particularly in rural and semi-urban areas, may not be fully aware of the security practices and risks associated with digital payments. Ensuring that users are well-informed and educated about safe transaction practices is crucial.
- ***Connectivity Problems:***

  While mobile internet penetration has grown significantly in India, there are still areas with limited or unreliable connectivity. Ensuring that UPI transactions are accessible in remote and underserved regions remains a challenge. As against 42 % of the urban population only 15 percent of rural households have the access to good internet services. Amongst all sections, the females are the most prone to be digitally illiterate, especially in the poor households.

- ***Technology Disruptions:***
  UPI systems, like any technology, can experience technical glitches or downtime. Such interruptions can disrupt transactions and cause inconvenience to users.
- ***Dependency on Smart Phones:***
  UPI transactions heavily depend on smartphones and mobile devices. This can exclude individuals who do not own smartphones or are uncomfortable with digital technology.
- ***Limited Digital Education:***
  A significant portion of the Indian population lacks digital literacy, which can hinder their ability to use UPI effectively and securely.
- ***Network Congestion:***
  During peak usage times, UPI networks can become congested, leading to delays in transaction processing and sometimes failed transactions.
- ***Fake Apps and Websites:***
  Malicious actors may create fake UPI apps or phishing websites to steal users' personal and financial information. These fraudulent platforms can deceive unsuspecting users**.**
- ***Regulatory Issues:***
  Ensuring that UPI service providers comply with regulatory guidelines and security standards is an ongoing challenge for authorities. The evolving regulatory landscape may require adjustments to address emerging issues.
- ***Managing Digital Risks by Banks/ Financial Institutions:***
  Banks and financial institutions need to manage the risks associated with UPI transactions effectively, including fraud prevention, dispute resolution, and customer protection.

- ***Language Barriers***

  The language used in the payment interfaces is majorly English, which is foreign and non-understandable to the majority of the population. Hence, it is suggested that all interfaces be multi-lingual with wider use of local and regional languages.
- ***Interoperability Challenges:***

  While UPI is designed to be interoperable, there can still be challenges in seamless transactions between different banks and payment service providers.
- ***Limit on the Transactions:***

  UPI transactions have daily transaction limits for security reasons. These limits can sometimes be a hindrance for large-value transactions.
- ***Universal Acceptance:***

  While UPI has seen widespread adoption among consumers, ensuring that a wide range of merchants, especially small businesses and vendors, accept UPI payments can be a challenge.

Digital Financial Transactions Globally- An Analysis

The adoption and usage of digital transactions vary from country to country, and several nations are considered leaders in the world of digital payments. The top countries in the world in terms of digital transactions often have well-established digital payment ecosystems, high levels of internet and smartphone penetration, and a strong culture of digital commerce. As already stated India has made significant strides in digital financial transactions attaining top spot both in volume as well as value. Some of the other top countries known for their robust digital transaction ecosystems include:

- ***Brazil:*** With 29.2 million transactions, Brazil is ranked second in the digital payments. Brazil has developed a payment interface known as Pix which is similar to the UPI being used in India. Even though Brazil's population is less (around a sixth of India's), but Pix's user base is huge (approximately half of UPI's). According to a 2022 report, Pix has shown marvellous accessibility and usage in Brazil.
- ***China:*** China is one of the top countries in digital transactions, driven primarily by mobile payments. It is ranked third with 17.6 million digital financial transactions.

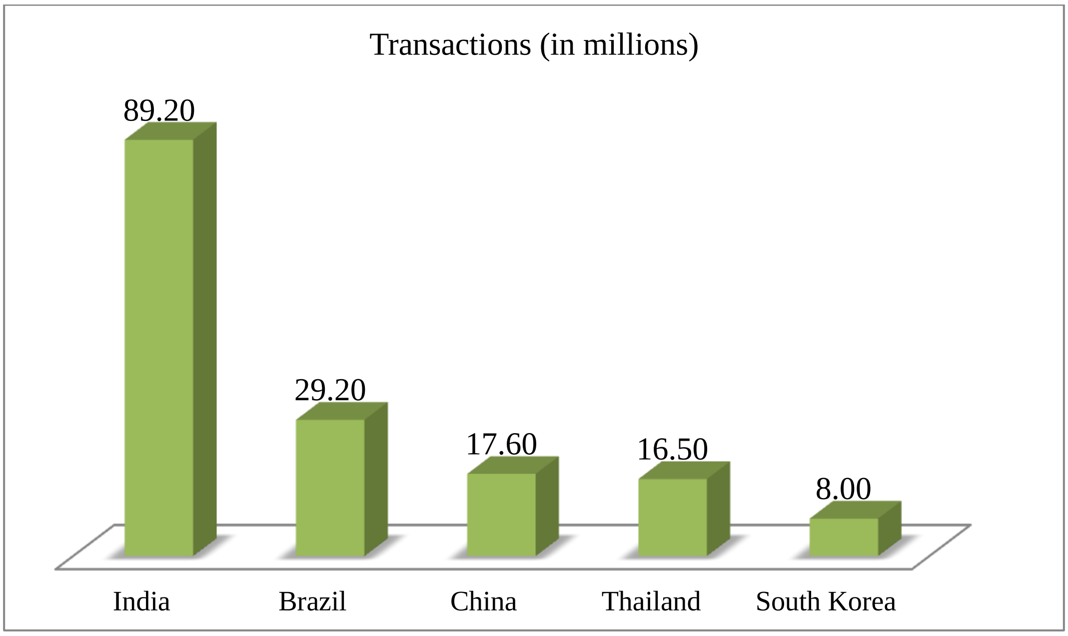
Mobile payment apps like Alipay and WeChat Pay have become ubiquitous, and cashless transactions are common in both urban and rural areas.

- ***United States of America:*** The United States has a well-developed digital payment ecosystem, with widespread use of mobile payment apps like Apple Pay, Google Pay, credit cards, debit cards and various online payment platforms. E-commerce is a significant driver of digital transactions in the U.S.
- ***South Korea:*** South Korea is known for its advanced digital infrastructure and high smartphone penetration. It is ranked fourth with 16.5 million digital financial transactions. Mobile payments, including NFC-based contactless payments and mobile wallets, are widely used for various transactions.
- ***Thailand:*** Thailand is ranked fifth with 8 million digital financial transactions which include digital trade, payments at merchants centre through mobile, and receiving digital remittances. Digital wallet usage has risen in prominence in Thailand. E-Payment infrastructure has helped Thailand to become a cashless economy. The e-Payment infrastructure created by Thailand consists of internet/mobile banking, credit card, e-Wallet, QR code; ATM card, direct debit, Prompt Pay etc. ePrompt Pay and QR code are the major financial tools driving Thailand towards a cashless economy.
- ***United Kingdom:*** UK has a strong digital payments market which uses contactless cards, mobile wallets. Faster Payments, a real-time payment system, has contributed significantly to the growth of digital financial transactions in the country.
- ***Sweden:*** Sweden has made significant progress towards becoming a cashless society. Digital transactions, including card payments and mobile payments, are widely accepted and preferred by consumers and businesses.
- ***Singapore:*** Singapore is a fintech hub with a thriving digital payment ecosystem. Mobile payment apps and digital wallets are commonly used for everyday transactions, and the country is also exploring central bank digital currency (CBDC) initiatives.
- ***Netherlands:*** The Netherlands has a well-developed digital payment infrastructure, with widespread use of contactless payments and digital banking services. iDEAL, an online payment method, is popular for e-commerce transactions.

- ***Australia:*** Australia has embraced digital transactions, with a high rate of contactless card payments and mobile wallet usage. The New Payments Platform (NPP) enables instant bank transfers and real-time payments.
- ***Canada:*** Canada has seen a growing adoption of digital payments, including mobile wallets, contactless cards, and online payment platforms. Interac e-Transfer is widely used for peer-to-peer transactions.

Table No.3: Countrywide Comparison of Digital Financial Transactions

Country	Transactions (in millions)
India	89.20
Brazil	29.20
China	17.60
Thailand	16.50
South Korea	8.00



Source: Data from MyGovIndia

The Way Forward

Digital payments ecosystem is expected to reach unimaginable heights in India as the country enters into the 5G era and the low latency network. There are expectations of further growth in UPI payments in emerging and younger cities. Because of the rising numbers of smartphone users and various technological advancements it is expected that digital transactions in India will reach 186 billion in volume and Rs 200 trillion in value by the year 2025. This will unlock new opportunities benefiting all the stakeholders majorly customers and merchants. The future is of digital transactions and such impressive growth of UPI only makes the future of India secure. India has taken significant strides for designing the global network of its UPI system. The NPCI International Payments Limited (NIPL) has forged partnerships with a number of friendly countries to design a huge compatible network for RuPay and UPI which will facilitate Indian citizens to make financial transactions using these platforms while they travel to the foreign shores. UPI facility is now also available for non-resident account holders with international mobile numbers across ten countries facilitating students, local businesses of Indian origins etc. Thus, NRIs seven without Indian cell numbers may be able to use UPI in these countries, therefore. The RBI and NPCI have launched two new products – UPI 123PAY and UPI Lite which allow users to transact using feature phones even without access to internet connection. The Indian financial sector is expected to continue its digital journey with advancements in blockchain technology, artificial intelligence, and machine learning, which will further enhance efficiency, security, and customer experiences.

Table 4: Expected Growth Overall Digital Payment Market Transaction (Volume in Billions)

FY	Transaction (Volume In Billions)
23-24	156
24-25	226
25-26	309
26-27	411

Source: RBI, NPCI, PwC Analysis

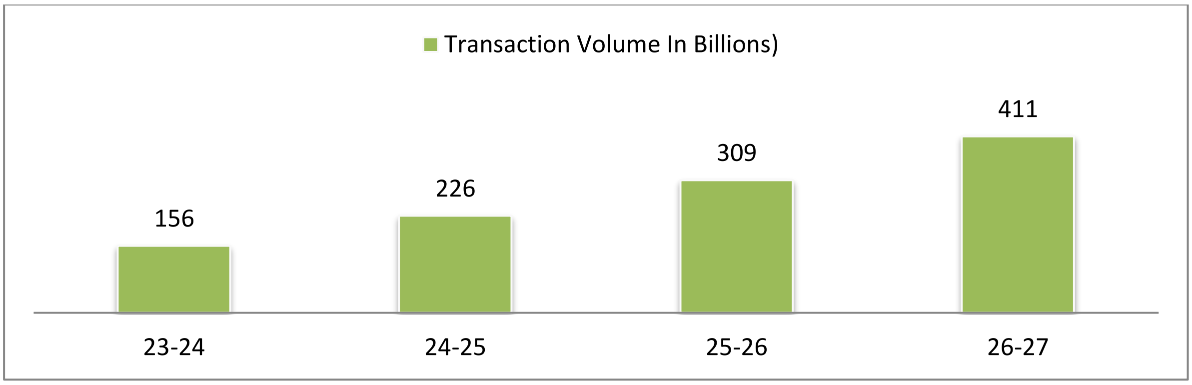
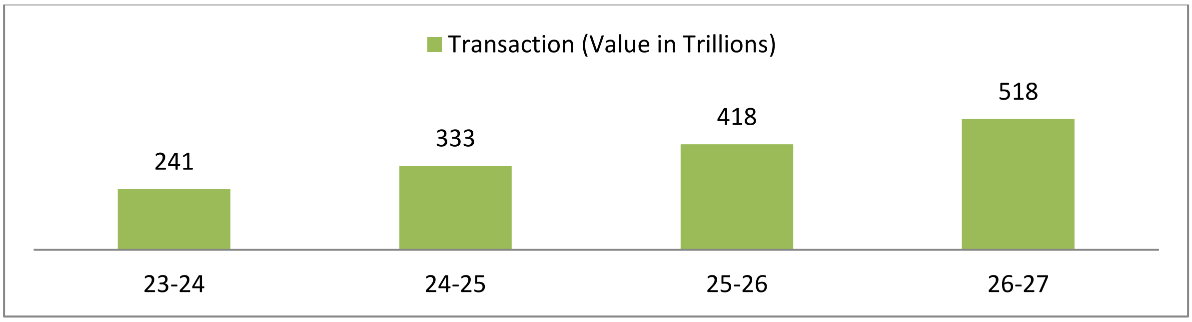


Table 5: Expected Overall Digital Payment Market Transaction (Value in Trillions)

FY	Transaction (Value in Trillions)
23-24	241
24-25	333
25-26	418
26-27	518

Source: RBI, NPCI, PwC Analysis



Limitations

- The study is primarily based on data derived from secondary sources.
- The research is limited by the time and cost constraints.
- The subjectivity and bias of the researcher may reduce the efficacy of the results.

Conclusion:

Digital payments have taken off in India during the last nine years. As a result of demonetisation wherein the Government encouraged cashless transactions and the push towards less cash by way of negligible or no transaction charges the consumers have welcomed digital financial transactions in a big way. The growth of digital financial transactions in India and improved accessibility of the digital infrastructure to all Indians have helped improve ease of living for citizens, financial inclusion, cost savings, convenience, security, transparency and growth of business and economy. As a result, India has experienced a more than 100-fold increase, in the number of digital transactions, from just 127 crores in 2013–14 to 89880 crores in 2023 with more than 30 crores Indians using the same. These advantages have accelerated the digital financial payments in the country and changed the methods of business. The GoI has encouraged digital financial transactions in the country as part of its Digital India program. The adoption of digital financial transactions in India offers numerous benefits to individuals, businesses, and the overall economy including financial inclusion, security, consumer awareness, cutting costs etc. However, a number of challenges like internet connectivity, cyber frauds, technological disruptions, language barriers, limited computer literacy, etc. pose a sizeable threat to the growth of digital financial transactions in India. Nevertheless, it is envisioned that as the digital payment's ecosystem expands the security concerns will also arise. Today India ranks number 1 in terms of digital financial transactions both in volume as well as in number of transactions and is followed by Brazil, China, South Korea and Thailand. However, digital payment landscape is continually evolving, and the rankings may change over time as countries adopt new technologies and payment methods.

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1. *Exemption from Disclosure of Information under the RTI Act: An Introduction.* Hyderabad: Dr. MCR HRD Institute, 2021.
2. *The Right to Information Act: A Handbook for Public Authorities*. Hyderabad: Dr. MCR HRD Institute, 2022.
3. *Proactive Disclosure of Information under the Right to Information Act: A Guide* Hyderabad: Dr. MCR HRD Institute, 2021.

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