



CENTRE FOR CIVIL SOCIETY

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Press Release

State of Governance: Delhi Citizen Handbook 2003 will be released at Gulmohar Hall, India Habitat Centre on Tuesday, October 21, 6:30 pm. Tea is at 6:00 pm.

State of Governance: Delhi Citizen Handbook 2003 is a compilation of studies of 25 agencies, boards, corporations, and departments (ABCDs) of the government of Delhi and MCD. With this path-breaking comprehensive study, Centre for Civil Society hopes to further citizens' understanding of the workings of the government. The ideas and policies presented in the *Handbook* will hopefully become the seeds for a constructive debate about good governance in Delhi. Reform minded politicians, public servants, and citizens are sure to find the contents of the *Handbook* innovative, refreshing and bold. The *Handbook* is an imaginative step towards building a prosperous and vibrant Delhi.

Read the chapters and excerpts at www.ccsindia.org/delhihandbook.htm
A few of the many startling findings of the study:

- The Prevention of Food Adulteration Department has 28 inspectors to oversee 1.50 lac (registered) food establishments. At one outlet per inspector per day, an outlet would be inspected once in 17 years. The number of inspectors has not changed since 1960.
- A study conducted by Social Jurist found that more than 80% of the children who pass class V from MCD schools do not know how to read or write their names.
- The Delhi Transport Corporation employs 12 people per bus and incurs a monthly loss of Rs 25 crore, where as private operators employ 6 persons per bus and make profit.

The principles of **New Public Management** – an amalgamation of public administration and business management – are vital in understanding the policy recommendations made by CCS.

- First, do not harm: Remove license-permit on livelihood opportunities for the poor. Apply Livelihood Freedom Test to all rules and regulations. Remove entry-exit restrictions on school and similar social institutions.
- Separate provision from production: When necessary government should finance and let the private sector produce goods and services. For example, government should provide vouchers to poor for education and food instead of running schools and ration shops.
- Finance services through user fees instead of taxes: Otherwise, the lucky few who enjoy the services, usually the middle class, are subsidised by the unlucky ones who do not have those services, usually the poor.
- Focus on core function and contract out the rest: Government hospitals, for example, should concentrate on improving quality of health care and contract

out activities like security, managing staff canteen or pharmacy, and activities not part of the core competency of the hospital staff.

- Give clean subsidy: Subsidies should reach the target group directly, without affecting the prices, and without distorting the incentives to economise on the use. For example, the electricity subsidy to farmers distorts the price of electricity and incentives to economise on the use of water that is pumped out with electric motors.

REFORMS

- Ward-level New Public Management: Empower ward/ constituency-level power and water user associations to choose among private suppliers. This promotes choice and competition instead of city level privatisation that simply replaces government monopoly with a private monopoly.
- Functional Reorganisation: To solve the problem of multiplicity of organisations and improve efficiency and operational costs, reorganise ABCDs and their schemes into three functional departments:
 - (1) Consumer Protection Department: Combine consumer protection efforts of various departments, Prevention of Food Adulteration Dept, Drug Control Dept, Dept of Weights & Measures & Dept of Food & Civil Supplies excluding Public Distribution System (PDS), under this Department. More importantly promote free competition, effective consumer courts, strict liability laws and the tort system.
 - (2) Cooperative Finance Department: All loans for business, technical training or consumption should be given through this Department, Schemes of Delhi Financial Corporation, Delhi State Industrial Development Corporation, Delhi SC/ST/OBC/Minorities/ Handicapped Finance Development Corporation. Delhi's more than 5,000 cooperative societies would do the actual dispersal and collection since they have the incentive and expertise in serving their members.
 - (3) Individual and Family Welfare Services: Consolidate all grants and subsidies given to individuals and families by Dept of Social Welfare, Public Distribution System, Schemes of individual consumption grant by Delhi SC/ST/OBC/ Minorities/ Handicapped Finance & Development Corporation under this Department and disperse the resources in a direct manner like vouchers. This will create a single window access to help the needy and ensure that maximum resources reach the hands of the poor.
- Sound Budget Management: Use zero-based budgeting with a performance orientation to improve transparency and efficiency of government expenditures. The accounting system should be on an accrual basis not on cash basis. The fund based accounting system is even better in evaluating per unit cost of services and in matching the costs with performance standards.
- Efficient and Corruption-free Procurement System: Make every citizen vigilante by passing a False Claims (*Quit Tam*) and Whistleblower Protection Acts. Make tendering and bid selection completely transparent by publishing them on websites. Evaluate the technical and financial bids Two Bid System separately to prevent corruption.
- Focus on Performance: Government departments must focus on satisfaction of the users of their services. A Report Card System can regularly collect information from the users of various government services. Each department would then set performance standards by how much the satisfaction score should increase in various areas of services by next year. They should then design all their systems and train the personnel so as to achieve the set performance standards.

The **Centre for Civil Society** is a think tank for public policy solutions within the framework of limited government, rule of law, and competitive markets.