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## PUBLIC PRIVATE PARTNERSHIP: A TOOL IN PROMOTING GOOD GOVERNANCE IN INDIA

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**Abstract:** *Since 1990's much emphasis was made by the government to reform the administrative system to ensure Good Governance to the citizens. Many rules and regulations were amended. Right to Information, Social Audit, Citizen Charter, Decentralisation and Devolution of power to Local Bodies, Civil Service Reforms, E-governance, etc. were initiated. It restored the confidence of people. But, it failed to remove corruption in the delivery of basic services to the people, poverty, malnutrition, hunger, unemployment, illiteracy, agrarian and labour unrest, sustainable balanced regional development and failed to evolve a society based on equity and social justice. In this scenario, Public Private Partnerships (PPP) should be regarded as an option amongst a range of possible tools to be applied for ensuring good governance in India. In general sense, good governance involves three basic characteristics i.e. people's participation in decision making, welfare of the people and socio-economic change in the society. It can be fulfilled by PPP practices like participation, decency, transparency, accountability, fairness, efficiency and sustainable development in formulation and execution of projects. Many projects have been initiated by central as well as state governments in sectors like education, energy, healthcare, industrial infrastructure, tourism, transportation, etc. which had helped in ensuring good governance in India.*

**Key words:** *Good Governance, Public Private Partnership, socio-economic change.*

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## **INTRODUCTION**

India is a vast country with the second most populous state in the world and being a multi-lingual, multi- religious and multi-cultural society, ensuring good governance to all citizens creates a big challenge for the Indian administration. At the time of independence, around 90 percent of the people were living in rural areas, with around 15 percent of the people literate, more than 80 percent population dependent on traditional farming with massive poverty, poor infrastructure, inequality, and backwardness. Added to this, there was widespread corruption, communal violence, riots, regionalism and criminalization of politics. Smart anti-corruption laws, commissions of enquiry and high power vigilance bodies for administrative reform have not presented the slide in the overall integrity in public services. Good governance was the only hope for millions of people who live in conditions of public insecurity and instability, corruption, abuse of law, public service failure, poverty and inequality. It aims at improving bureaucratic and political accountability, fighting corruption, promoting people's participation and making effective and efficient use of nation's scarce resources. The Government of India initiated many programmes and schemes to remove poverty, inequality, corruption and sustainable balanced regional development. It also constituted many commissions and committees like Economy committee, Appleby reports, Santhanam committee on the prevention of corruption, first and second Administrative Reforms commission for improving the service delivery to the people. The Mahatma Gandhi National Rural Employment Guarantee Act, Jawaharlal Nehru National Urban Renewal Mission, Indira Awas Yojana, Provision of Urban amenities in Rural Areas, Rajiv Gandhi National Drinking Water Mission, Central Rural Sanitation Programme and various other programmes were initiated. Still, there is agitation and protest against the government for separate new states, independent Central Bureau of Investigation, strong Lokpal and Lokayuktas, multi-member Controller and Auditor General, reservation for depressed sections of the society, women's empowerment, reforms in administration, etc. In this scenario, PPP can play an important role in ensuring good governance to the citizens of the country. It refers to a long-term contractual partnership between the public and private sector agencies, specifically targeted towards financing, designing, implementing and operating infrastructure facilities and services in the state. It combine the best of both worlds i.e. the private sector with its resources, management skills and technology; and the



public sector with its regulatory actions and protection of the public interest. This balanced approach is especially welcome in the delivery of public services which touch on every human being's basic needs. Many International and multilateral aid-giving agencies have adopted it as a general principles to improve the capability of the recipient countries to handle development assistance better utilize it more efficiently.

## **THE CONCEPT OF GOVERNANCE AND GOOD GOVERNANCE**

The concept of governance is not new; rather it is as old as human civilization. It was in 1989 that the concept of governance was highlighted for the first time in a World Bank Document on Sub-Saharan Africa. In this report, the Bank suggested that the programmes of fiscal adjustment and investment in that region were being rendered ineffective by a "crisis of governance". It, however, received adequate attention in a 1991 report, entitled *Governance and Development* that defines "governance as the manner in which power is exercised in the management of a country's economic and social resources for development." It further highlighted governance as an institutional capacity of public organisation to provide the public and other goods demanded by a country's citizen in an effective, transparent, impartial and accountable manner, subject to resource constraint.

Governance becomes good when the decisions and actions of the government are based on people's consent, legitimacy and accountability. Thus, good governance is concerned with high quality in governance. Earlier, coercive state was considered to be most effective instrument of good governance. In ancient and medieval India, a king, though authoritarian, was supposed to be conscientious and responsive to the needs of the subjects. In modern times, good governance implies enlightened citizenship as well as accountable and constitutional government. It is the term that symbolizes the paradigm shift of the role of governments.

In ancient India, Kautilya in his treatise *Arthashastra* propounded the traits of good governance by the ruler-king as follows: "In the happiness of the subjects lies the happiness of the king and in what is beneficial to the subjects, lies his own benefit." In the scheme of Kautilya, for instance, the following features formed part of good governance:

- Law and order
- People caring administration
- Justice and rationality as the basis of decision



➤ Corruption free governance

Good governance, for the World Bank, is synonymous with sound development management. It says,

The Bank's experience has shown that the programs and projects it helps finance may be technically sound, but fail to deliver anticipated results for reasons connected to the quality of government action. Legal reforms, however urgent, may come to naught if the new laws are not enforced consistently or there are severe delays in implementation. Efforts to develop privatized production and encourage market-led growth may not succeed unless investors face clear rules and institutions that reduce uncertainty about future government action. Vital reforms of public expenditure may flounder if accounting systems are so weak that budgetary policies cannot be implemented or monitored or if poor procurement systems encourage corruption and distort public investment priorities. Failure to involve beneficiaries and others affected in the design and implementation of projects can substantially erode their sustainability.

By the year 2000, good governance had been globally accepted as a crucial means to achieve both development and poverty reduction, as is shown by the world leaders' adoption of the *United Nations Millennium Declaration*. Governance is by no means an univocal concept. It includes at least three different views on Development i.e. managerial or technocratic, socio-economic (poverty alleviation), human rights and democracy approach.

The first and most dominant is managerial or technocratic approach whose main elements are efficiency, authority and accountability of the state. In order to achieve this goal, enhancing a sound economic climate, transparency and the rule of law, and tackling corruption are considered the most important mechanisms. Government institutions and officials should be held responsible and accountable for their functioning. The state should ensure market stability, sound monetary and fiscal policies and secure competition. The rules and regulation should be broadly defined and forward looking. The private sector, both local and foreign companies are expected to invest more in a country when they have more confidence in its institutions, regulations and officials.

Secondly, the socio-economic approach considers poverty alleviation as the major goal, and good governance as a means to achieve it. The public institutions should effectively deal



with the poor and downtrodden sections of the society and ensure their participation in framing of policies.

Thirdly, good governance is sometimes used to refer to governance issues from the angle of human rights and democracy. From this perspective, it is a combination of a separation of powers, an independent judicial system, freedom of organisation, speech and press, free elections and a multi-party political system. The role of Non-Government Organisations (NGOs) is considered to be of great importance, not only through participation but also as the driving force behind equitable development. In this approach, development is understood as encompassing economic, socio-economic and political processes, taking place simultaneously.

The United Nations Development Programme's (UNDP) definition of good governance is set out in a 1997 UNDP policy document entitled "Governance for Sustainable Human Development." The document states that governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. Good governance comprises the existence of effective mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. Its essential characteristics are:

- *Participation.* All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as on the capacity to participate constructively.
- *Rule of law.* Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.
- *Transparency.* This concept is built on the free flow of information. Processes, institutions and information should be directly accessible to those concerned, and enough information should be provided to render them understandable and monitorable.
- *Responsiveness.* Institutions and processes should serve all stakeholders.
- *Consensus orientation.* Good governance should mediate differing interests in order to reach broad consensus on the best interests of the group and, where possible, on policies and procedures.



- *Equity.* All men and women should have equal opportunity to maintain or improve their well-being.
- *Effectiveness and efficiency.* Processes and institutions should produce results that meet needs while making the best use of resources.
- *Accountability.* Decision-makers in government, the private sector and civil-society organizations should be accountable to the public as well as to institutional stakeholders. This accountability differs depending on the organization and whether the decision is internal or external to an organization.
- *Strategic vision.* Leaders and the public should have a broad and long-term perspective on good governance and human development, together with a sense of what is needed for such development. There should also be an understanding of the historical, cultural and social complexities in which that perspective is grounded.

Good governance, as a concept, is applicable to all sections of society such as the government, legislature, judiciary, the media, the private sector, the corporate sector, the co-operatives, societies registered under the Societies Registration Act, duly registered trusts, organisations such as the trade unions and lastly the NGOs. In any discussion on good governance, attention must be focused on the primary responsibilities of the government which includes maintenance of law and order, administration of justice, and welfare of economically and socially weaker sections of society in terms of provision of safety net for them.

The significance of good governance in India can be estimated from the fact that, for the first time, a separate chapter (*No.15-Governance*) has been included in the *draft paper to the Twelfth Five Year Plan* titled *Faster, Sustainable and More Inclusive Growth*. It highlighted as,

With rapid expansion of the economy, rising per capita incomes, and growing awareness and assertion of rights by an increasingly educated population, both the need for good governance and the demand for good governance have increased. Good governance is needed for effective implementation of Plan schemes. It is also needed for ensuring that ordinary citizens can effectively access the public services that are their right. Finally, it is needed for a better functioning of the private sector in the economy. Poor governance leads to corruption, both petty and large, both of which corrode the moral fabric of the society. Large scale corruption occurs either because of mishandling of government contracts, or



because discretionary decision making in some areas is used to the advantage of some. Corruption undermines the legitimacy of the system in the eyes of the public and reduces potential for achieving efficiency through competition.

Good governance concept is inclusive and positive in nature. It is inclusive in nature as it aims involvement of people in the process of development. Thus, development is not merely people-oriented but people-centered. It is positive to the extent of building up new levels of skills, knowledge and support for development.

### **GOOD GOVERNANCE INITIATIVES IN INDIA**

The Conference of Chief Secretaries and Chief Minister of all the Indian states and Union Territories in 1996 and 1997 deliberated on the issue of improving governance, and an action plan was formulated to bring about accountable and citizen-friendly government with focus on:

- Accountable and citizen friendly Government
- Transparency & right to information, and
- Improving the performance and Integrity of the public service.

In accordance with this, several initiatives were taken by the Union and State governments like Citizens' Charter, Right to Information Act, Redressal of Citizen's Grievances, 73<sup>rd</sup> and 74<sup>th</sup> constitution amendment, National e-governance plan, implementation of Second Administrative Reform Commission, Unique Identification Number, Increase in Pay and reduce in corruption-sixth pay commission, etc. Some of the measures to ensure good governance in India are as follows:

### **CITIZENS' CHARTER**

The concept of Citizens' Charter enshrines the trust between the service provider and its users. The concept was first articulated and implemented in the United Kingdom by John Major in 1991 as a national programme with a simple aim: to continuously improve the quality of public services for the people of the country so that these services respond to the needs and wishes of the users. In India, many government department / ministries and public sector organizations Citizens' Charter have been framed.

The Charters are expected to incorporate the following elements:-



(i) Vision and Mission Statement; (ii) Details of business transacted by the organisation; (iii) Details of clients; (iv) Details of services provided to each client group; (v) Details of grievance redress mechanism and how to access it; and (vi) Expectations from the clients.

## **RIGHT TO INFORMATION**

It means the freedom of the people to have access to government information. The Right to Information act came into force on 12 October, 2005. It has the widest possible reach covering Central government, state government, panchayati raj institution, local bodies and recipients of government grants. Its various provisions are mentioned below:

- The Act overrides the Official Secrets act, 1923.
- Appointment of information officer in each department to provide information to the public on request.
- Thirty day deadline for providing information; deadline in forty-eight hours if information concerns the liberty of a person.
- Information will be free for people below poverty line and for others, fee will be reasonable.
- Establishment of a Central information commission and state information commission to implement the provisions of the Act and vested with the powers of civil court.
- The information commission shall fine an official of Rs 250 per day if information is delayed without reasonable causes beyond the stipulated 30 days.
- Its purview does not extend to intelligence and security organisation like intelligence Bureau, RAW, BSF, CIST and so on except allegation pertaining to corruption or violation of human rights.
- All categories of exempted information to be disclosed after 20 years except cabinet deliberation and information that affects security, strategic, scientific or economic interest, relations with foreign states or leads to incitement of offence.

## **REDRESSAL OF CITIZEN'S GRIEVANCES**

The Department of Administrative Reforms and Public Grievances is the chief co-ordinating agency of the Government of India for redress of public grievances arising from the work of Ministries/Departments and other organizations of the Government of India. According to the procedure adopted in the department, communication containing grievances of the





public are categorized into broad heads like delay, harassment, misbehavior, non-payment of dues, etc. The grievances are sent to the concerned Ministry/Department/State Government agency for appropriate action. National Informatics Centre (NIC) has developed software called Public Grievances and Redress and Monitoring System (PGRAMS) in consultation with Directorate of Public Grievances (cabinet secretariat) and department of AR&PG for installation in various Central Government Ministries/Departments. A standing committee of secretaries (COS) for redressal of grievances is constituted in 1998.

## **PEOPLE'S PARTICIPATION**

The government has given power to local bodies through the 73<sup>rd</sup> and 74<sup>th</sup> constitution amendment. These bodies are given necessary powers and authority to function as institution of local-self government. Some of the salient features of the Amendment are grant of constitutional status of Panchayati Raj Institutions, reservation of one-third seats for women, holding of elections to panchayats under the direct supervision of chief electoral officer, setting up of finance commission to review the financial position of panchayats after every five years and inclusion of the eleventh schedule in the constitution listing various socio-economic programmes to be undertaken by the Panchayati Raj Institution.

## **NATIONAL E-GOVERNANCE PLAN**

This was approved by the cabinet in May 2005, for implementation across the country with a vision to "Make all Government services accessible to the common man in his locality, through common service delivery outlets, and ensure efficiency, transparency, and reliability of such services at affordable costs to realise the basic needs of the common man". It takes a holistic view of e-Governance initiatives across the country, integrating them into a collective vision, a shared cause. Around this idea, a massive countrywide infrastructure reaching down to the remotest of villages is evolving, and large-scale digitization of records is taking place to enable easy, reliable access over the internet. The ultimate objective is to bring public services closer home to citizens, as articulated in the vision statement of NeGP.

## **PROBLEMS OF GOOD GOVERNANCE IN INDIA**

### **1. Corruptions and Scams**

The biggest challenge for ensuring good governance to citizens is corruption and scams in India. It is the cause and effect of poor governance. It prevents full realization of economic,



social and cultural rights. The top scams in India are 2G Spectrum Scam, *Aadarsh* Housing scam, Commonwealth Games Scam, *Taj* Corridor scam, Telgi Scam, Bofors Scam, The Fodder Scam, Harshad Mehta, Ketan Parekh Stock Market Scam and now Augusta Westland VVIP chopper scam. As of present, India ranks 93 out of 183 in the corruption perception index.

## **2. Population Growth**

India being the second most populous country in the world creates great pressure on the scarce resources. Growing population is a menace to the mankind which is responsible for widespread poverty, malnutrition, hunger, unemployment, illiteracy, agrarian and labour unrest, unbalanced regional development as the administration is unable to secure to all citizens equitable access to even primary education and health, food, water and a house.

## **3. Culture of Violence**

India is a multi-lingual, multi-cultural and multi-religious country. Strikes, riots, terror attacks are threat to peace and order which is the first step for development. India is also facing threat from terrorism and insurgency, which scattered from Jammu & Kashmir to other parts of India. This produces an adverse impact on employment, health, education and the provision of other services to the people in the long run.

## **4. Criminalization of Politics**

In the Indian politics, there exist nexus amongst politicians, business empires and Bureaucrats, which hamper in ensuring good governance. This practice has increased in the era of coalition government without any checks and balances. Criminal minded people are entering in State as well as Central legislature for seeking private gain and making lot of money without any concern for poor people.

## **5. Regional Inequality**

Since independence, in the north-eastern and the central regions of India, mainly mineral rich states, not much development took place inspite of heavy exploitation of minerals from these regions in commensurate to other mineral deficit regions. This have gave rise to Naga, Bodoland, Telangana, Naxalite and other movements which become a problem in ensuring good governance in these regions.

## **GOOD GOVERNANCE FOR PPP**

According to International Monetary Fund (IMF 2006), PPP refer to arrangements where the private sector supplies infrastructure assets and services that traditionally have been



provided by the government. In addition to private execution and financing of public investment, PPP have two other important characteristics: there is an emphasis on service provision, as well as investment, by the private sector; and significant risk is transferred from the government to the private sector. PPP are involved in a wide range of social and economic infrastructure projects, but they are mainly used to build and operate hospitals, schools, roads, bridges and tunnels, rail networks, air traffic control systems, and water and sanitation plants.

The United Nations Economic Commission for Europe (UNECE) Guidebook on Promoting Good Governance in PPP defines governance as “the processes in government actions and how things are done, not just what is done”. All elements of the PPP framework described in this module contribute to the governance of the PPP program. UNECE further describes “good governance” as encompassing the following six core principles:

- Efficiency-use of resources without waste, delay, corruption, or undue burden on future generations
- Accountability-the extent to which political actors are responsible to society for their actions
- Transparency-clarity and openness in decision-making
- Decency-development and implementation of rules without harming people
- Fairness-equal application of rules to all members of society
- Participation-involvement of all stakeholders.

One of the aims of establishing a sound PPP framework is to ensure these principles of good governance are followed in the implementation of PPP projects.

### **ROLE OF PPP IN GOOD GOVERNANCE**

One of the important aspects in the process of civil service reforms in our country is to develop the culture of partnership with private service providers. Good governance means that all of us work together for the good of the society. The concerns of good governance have been very clearly voiced in Asian Development Bank report in the shape of the following questions:

- Do people fully participate in governance?
- Are people fully informed?



- Do people make decisions or can they at least hold the decision makers accountable?
- Are the women equal partners with men in Governance?
- Are the needs of the poor and disadvantaged met?
- Are peoples' human rights guaranteed?
- Are the needs of the future generation taken into account in current policies?
- Do people own their structures of governance?

All these concerns of good governance are fully addressed by the PPP. These are formulated and executed in public interest with a view to achieving additional capacity and delivery of public services at reasonable cost. These partnerships ensure the supplementing of scarce public resources for investment in infrastructure sectors, while improving efficiencies and reducing costs. All sections of the society equally participate in decision making without any discrimination between different castes and sexes. The various projects take into consideration to attain sustainable development. Some of the important roles of PPP in ensuring good governance are as follows:

### **SOCIO-ECONOMIC DEVELOPMENT**

Rapid economic growth, growing population, increasing rural-urban migration, and all-round social and economic development have compounded the pressure on the existing infrastructure, and increased the demand-supply gap in the states. The Government of India recognizes that constraint-free infrastructure provisioning, both physical and social, fosters economic and industrial activities conducive to development and inclusive growth. It also recognizes that the private sector can play a prominent role in the infrastructure deficit. By the end of March 2014, around 1300 PPP projects worth Rs. 6,94,040 crore in the infrastructure sectors like education, energy, forest, health, information technology, ports, roads, tourism, urban development and industries are under various stages of operation.

Some sectors like telecommunications, roads, power and roads have done very good progress compared to limited success in other sectors. It has helped in 'inclusive and sustainable' growth in areas of poverty reduction, employment generation, gender equity, balanced regional development and special protection for vulnerable sections of the society. Information and Communication Technology (ICT) has brought socio-economic development to both urban and rural areas. It has been recognized the world-over as a powerful tool of



development and poverty reduction through empowerment of masses. It holds tremendous potential, such as distance learning, telemedicine, supply chain management, customer relationship management, etc. The share of private sector in total telephones is 85.51 percent. The overall tele-density has reached to 73.34 percent and broadband connections increased to 14.98 million to make India, the second largest wireless network in the world.

The road projects accounts for 53.4 percent of the total number of projects and 46 percent by total value. It has connected major capital and cities with district and villages roads. This has increased the frequency of traffic movement and decongested the roads besides mitigating the environmental pollution. The Indian Railways has led to the conception of the Dedicated Freight Corridors (DFCs) due to the surging power needs requiring heavy coal movement, booming infrastructure construction and growing international trade. When completed, it could prove to be a backbone of India's economic transport facility and boost industrialization and modernization of the nation. Now, the government is embarking on an ambitious plan to have a Diamond Quadrilateral Network of High Speed Rail, connecting major Metros and growth centers of the country to reduce the travelling time between cities.

PPP helped in setting up of many technical and professional institutes, elementary and secondary schools, and increased the enrollment ratio. The literacy rate of in India increased from 65.38 percent in 2001 to 74.04 percent in 2011. It had helped in opening up of super-speciality hospitals equipped with sophisticated instrument in various parts of India to provide better healthcare facilities. PPP projects in tourism, forestry and urban development has helped in employment generation, infrastructure development, development of tribal areas and other backward regions, better utilisation of scarce resources leading to sustainable development.

### **Participation**

It is an integral part of PPP infrastructure projects. People are often taken into confidence before executing the PPP projects in decision making, compensation, job opportunities, rehabilitation and resettlement. For example, in the construction of Golden Quadrilateral road project of NHDA, people were consulted before acquiring land according to market price, compensation, rehabilitation and their resettlement. The PPP policies and guidelines of all the states speak about active participation of public and various stakeholders during



various stages of project execution. The Uttarakhand PPP policy recognizes the role of public opinion and stakeholder participation in facilitating infrastructure projects development and implementation. It further highlights that PPP cell would collaborate with professional bodies, NGOs, Industry Associations, and User Groups in facilitating the process. Participation will identify and resolve bottlenecks that are likely to impede investments and therefore provide a conducive environment for infrastructure development. Jharkhand Industrial Policy-2012 ensures the participation of scheduled tribes, schedule caste and other underprivileged sections of the society in the infrastructure development. For acquiring PPP projects, all are open to participate, both domestically and internationally, through competitive bidding process.

### **Transparency**

Transparency refers to the openness of procurement policies and practices. It is an important component of good governance to combat corruption and increase efficiency, economy and effectiveness in the delivery of services. PPP undertake big projects which have direct effect on resources of the country. It involves various stakeholders in project execution. It becomes necessary that procurement process should be transparent. There should be free flow of information and accessible to all. The PPP procurement process is totally transparent and follows rules and regulations. Budgets in India often lack transparency. For example, the funds are sanctioned by the parliament for poverty reduction in states, but most of the funds are diverted for other purpose killing the primary purpose of parliament to remove poverty from the country. The PPP policies ensures that all quantitative and qualitative information used to make decision during the evaluation, development, implementation and monitoring stages, must be made public. The websites of central government as well as state governments display all the information about the PPP projects names, their status (in bidding process, under construction or under operation), cost of projects, PPP types (BOT, BOOT, BOO, etc.) and the implementing agencies. The bid process is normally launched by formally releasing details of the project in an official publication that announces public tenders. This competitive bidding process helps to ensure transparency, avoid discrimination in the release of information about the project, and attract a wide range of attention. Comprehensive reporting of projects is also important to the transparency of the process. Comptroller and Auditor General of India also have



established guidelines for promoting transparency in PPP projects. Making performance audit reports publicly available also helps to ensure greater transparency by informing a wider audience of policy makers and citizens on the issues.

### **Accountability**

Unlike privatization, where private sectors remain accountable, under PPP, accountability for provision of the service is clearly in the hands of the public sector, and there is a direct contractual relationship between the government and the private sector provider. They are held accountable for the provision and delivery of quality public services. Accountability is very important as it aims to improve people's livelihood, especially the socially and economically disadvantaged sections of the society. PPP are long term projects lasting for around 20-30 years. They take risks and responsibilities to complete the projects on time. If any faults or negligence are found, they are held responsible and accountable for that.

### **Efficiency and Economy**

PPP combine the best of both worlds i.e. the private sector with its resources, management skills and technology; and the public sector with its regulatory actions and protection of the public interest to efficiently utilize the nation's scarce resources to ensure value for money which touch on every human being's basic needs. With their skills and technology, projects are either completed either on time or before their stipulated target of completion. For example, Terminal-3 of Indira Gandhi International Airport in Delhi and Hyderabad International Airport were completed before the time.

All the risks regarding design, construction project management, compliance with environmental regulations, quality and technical standards, matters relating to efficiency, innovativeness and technology are assigned to private party who are in better position to handle them.

In India, both the central as well as the state government changes, the projects and schemes run by the previous government are either changed or stopped which amounts to huge waste of money and a threat to environment. This is not the case with PPP as they are contracted for long periods of time i.e. 20 to 30 years. At the same time, the long-term nature of the contract can generate greater certainty (or even a reduction) in the price of service delivery, in real terms. It ensures economy through higher productivity of labour and capital resources in the delivery of projects.



### **Equity and Inclusiveness**

Equity is one of the fundamental principles of effective governance which refers to the right of all citizens to have an equal say in governance processes. PPP ensure that all men and women have equal opportunity to maintain or improve their well-being. There will be no any discrimination between them in decision making, consultation, participation, etc. Moreover, there is no any discrimination between different sex, religion, language, castes or creed. A society's well being depends on ensuring that all its members feel that they meet the needs of the society, while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

### **Sustainable Development**

It is very important for environmental protection, economic development and social inclusiveness. PPP help to achieve environmental sustainability with reasonable economic growth that can lead to poverty alleviation and social inclusiveness at all levels (local, national and global). PPP projects undergo rigorous environment clearances before their finalization to take into account the environmental and health factors. The Ministry of Environment and Forestry undertakes Environmental Impact Assessments (EIAs) as a part of the preparation of plans, programmes, policies and legislation of projects that are likely to have significant environmental effects. During bidding process, government gives preference to those projects which can help in sustainable development. PPP also have a financial motivation for taking environmental considerations into account because the effective use of resources and reduction of waste both in design and construction brings higher margins and hence, lowered whole life costs. It had demonstrated that investing to deliver environmental improvements can lower running costs, reduce waste and have health and social benefits, such as better working conditions. Many Greenfield and Brownfield projects, energy efficiency buildings, non-conventional source of energy like solar, tidal, wind, etc. are being run by the PPP which had helped in sustainable development of rural and urban areas.

### **CONCLUSION**

PPP are an important tool in ensuring good governance in India. It is different from monopolies of privatization as well as government where the decisions are made behind the





wall without the active participation of different sections of the society. These ill effects are removed or deleted by the PPP. It follows the best practices of both public and private organisations. The public organisation has regulatory framework whereas the private organisations has resources, management skills and technology. It helps in inclusive and sustainable development of India which is very important for ensuring good governance. It had helped in the development and expansion of infrastructures like roads and railways, educational institutes, ports, drinking water supply and sanitation, information and communication technology, health (health centres, hospitals, diagnostic centres, mobile health facilities, health services and all other related facilities), power generation, transmission and distribution systems. It has allowed participation of all sections of society in projects operation irrespective of caste, creed, religion and language. Good governance is creating environment for a decent and peaceful life. It is pro-poor and gender conscious. It follows transparency, accountability, participatory, consensus oriented, responsive, effective, efficient, equitable, and inclusive and follows the rule of law.

In India, PPP are in infant stage and many states have even not formulated PPP policies and guidelines which discourage private participation. There are many loopholes in old laws which need to be reformed. It should be regarded as a mean only and not as an end. There is need to learn from the successful experiences of other countries for better operation of PPP projects. Much focus should be given to isolated and backward regions of country that have been neglected for many years. This has given rise to Naxalite and secessionist movements which threatens the security and integrity of nation. There is widespread corruption and exploitation of poor people. So, the government should initiate PPP projects in these regions for ensuring good governance.

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