



**STATEMENT BY MR. A. GOPINATHAN, DEPUTY PERMANENT
REPRESENTATIVE, ON IMPROVING PUBLIC SECTOR EFFECTIVENESS
[AGENDA ITEM 3(A)] AT 42ND SESSION OF THE COMMISSION FOR
SOCIAL DEVELOPMENT ON FEBRUARY 5, 2004**

Mr. Chairman,

We congratulate you on your election as Chairman of the 42nd session of the Commission for Social Development. We also congratulate other members of the Bureau, and assure you of India's full support in the proceedings of this Commission.

My delegation associates itself with the statement made under this agenda item by the distinguished representative of Qatar as Chairman of the Group of 77.

We convey our appreciation to the Secretary General for the reports prepared for this session. These provide valuable insights and guidance for our deliberations.

Mr. Chairman,

The question of public sector effectiveness or, more broadly, effective governance, has emerged in recent years as one of the most important items in discussions of the development agenda. Effective governance has been recognised as one of the most crucial determinants necessary for rapid and sustained growth and economic and social development.

Governance relates to the management of all such processes that, in any society, define the environment which enables individuals to raise their capability levels, on the one hand, and provide opportunities to realise their full potential and enlarge the set of available choices, on the other. These processes which encompass the political, social and economic aspects of life, impact every level of human enterprise, be it the individual, the household, the village, the community, the region or the nation. Effectiveness, therefore, applies to the State, to the civil society and to the market, each of which is critical for nurturing human development. The State is responsible for creating and sustaining a supportive political, legal and economic environment for growth and development by building individual capabilities, community capacities, encouraging private initiative and improving the efficiency of resource-use. Innovations like e-governance and IT-based technologies can help further in increasing transparency, taking into account the specific circumstances prevailing in a particular country. The market is expected to create opportunities for people. Civil society facilitates the mobilisation of public opinion and people's participation in economic, social and political activities. Effective governance implies the formulation and implementation of policies and programmes that are equitable, transparent, non-discriminatory, socially sensitive, participatory, and above all, accountable to the people. The issue of improving public sector effectiveness has to be thus addressed at multiple levels. Governments, especially those wedded to strong democratic traditions, can neither have a completely minimalist role nor an entirely dominant one.

Mr. Chairman,

In the earlier phase, with sheltered national markets, the process of economic development had sought to emphasise increased production of goods and services, whether by the public or the private sector. In the present times, there is realisation that it is not enough to produce goods and services; these goods and services should be produced competitively. The need to cut costs and raise productivity has been reflected in downsizing and restructuring. The focus has been to build on core competences in different sectors of the economy. Governments are moving from direct involvement to creating enabling environments for facilitating the production of goods and services. Even in the provision of infrastructure services, which have traditionally been the preserve of the public sector, such as telecommunications, highways, ports and airports, States are now welcoming and encouraging private investments.

Effective governance in the globalised world has to be built on the basis of a participatory approach where governance becomes a joint endeavour of government agencies and the civil society including the NGOs, private sector, academic and research institutions and voluntary service organisations. Some of the earlier inhibitions in this regard are being shed, and stereotyped images of government and business organisations are increasingly being revised. Instead of a segregated public and private sector approach, the delivery of public services through a 'partnership' approach is gaining ground.

A key challenge for any Government is to provide adequate social security and social safety-nets to vulnerable sections of the population affected by the process of industrial restructuring necessitated by globalisation. In addition to providing adequate social security coverage for different sections of the work force, the task also envisages re-training, imparting of new skills and redeployment policies to moderate the adverse effects of such restructuring on workers.

Mr. Chairman,

In the early years of independence, India's founding fathers sought to build a system of government which would act as an engine of economic growth and development. In this the public sector was given a pre-eminent role. Over the years, the participation of people in the electoral process has steadily improved. The marginalised and the socially disadvantaged today have a much greater voice than they did fifty years ago, and this trend continues apace. Public priorities too are changing to reflect the emerging realities. The mind-set of shortages that placed a premium on physical investment on the one hand and subsidies on the other, is giving way to a wider view of development. Targets are now being set for a range of social indicators which reflect attainments in the areas of health, education and gender equality, and these have been held to be as central to the development process as growth. In earlier years, while the Plans reflected these as objectives, no specific targets were set.

Effective governance in our national context faces new problems and challenges. These include creating a citizen-friendly administration, increasing efficiency and developing result-oriented systems. The fact that governance has been identified as one of the critical areas underlines the importance accorded to it by the country's leadership. In addition, for the first time in the planning process, strengthening governance has been recognised as one of the most important factors in ensuring that the objectives of the Tenth Five Year Plan are realised. Effective governance has been recognised as being necessary for improving the results obtained from both public and private initiatives; indeed, from all plan initiatives.

Mr. Chairman,

Increasing public sector effectiveness through privatisation and decentralisation is closely related to the efficient utilisation of resources, particularly in developing countries. The relevance of this linkage was widely commented upon in the context of the collapse of the centrally planned economies in many countries. Even where the 'welfare state' concept of government is generally accepted, private initiatives have gained importance in areas where the public sector was earlier considered necessary. It is increasingly felt that the government should concentrate on such areas as defence, justice, law and order, communications, financial stability, infrastructure development and protection and welfare of vulnerable sections of society. The philosophy of privatisation rests on the principle that the State should take over the mantle of a facilitator and regulator instead of being a producer of goods and services. The Indian experience suggests that the targets of disinvestments have often not been met, and the process has not always resulted in significant improvement of efficiencies in these units. There are, however, no models that can be readily adopted universally, nor any quick fixes to this major challenge. Increasing public sector effectiveness will necessarily have to find its own equilibrium in each country.

Mr. Chairman,

The Secretary-General's report brings out clearly that a large number of developing countries do not currently have a sufficient level of financial resources to establish public social services commensurate with the needs of their citizens. Therefore, enhanced international co-operation is imperative if these countries are to be assisted by being provided with a more supportive international economic environment and with resources on concessional terms. Advice on good governance, however generous and lofty, is unlikely to produce by itself the desired results in any developing society. We should also guard ourselves against advocating or trying to impose 'one-size-fits-all' solutions that ignore local specificities and particularities of individual country situations while addressing the need for enhancing public sector effectiveness.

Thank you, Mr. Chairman.

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