

# **Constitutional Law and Public Administration in India**

**Prof. (Dr) Sairam Bhat**

**Centre for Environmental Law, Education, Research and Advocacy (CEERA)**

**National Law School of India University, Bengaluru**

**Week- 10**

**Lecture-05**

## **Role of Public Policy in Public Administration – III**

Public policy also has some significance, due to various facets. The first, is a purposive course of action in dealing with the problem. When there is a problem and there is no new roadmap for the same, public policy bridges that gap to come up with a solution driven approach for that particular problem. It helps the government in making an informed decision and to develop strategies as to how to overcome that particular issue or concern. It also facilitates collaboration and consensus among various stakeholders which is one of the most important tasks that any government performs because the government is not a single entity; it is a multitude and purposive entity that runs into various facets. It also brings in a democratic participation. India being a democratic country it is very important that the voices of the people are heard; what the people actually want, that is given and delivered to the people by the government, and that is the reason they choose their representatives. So, once they are representatives they come and represent the people, the same should be facilitated.

Next, is socio-economic development and the wholesome scheme of national integrity is very essential in this regard. Also, on the larger picture public policy plays a very critical role in nation building. Today if we see the steel industry that is a robust industry in India; it is a gift; and the ideology was formulated because of strong policy decisions that were taken years and years back. India took a policy decision to open up its doors to the world economy. The 1991 reforms that took place, globalization, liberalization all these are policy decisions that were taken which affected where India stands today. Today when we aspire to become a 5 trillion-dollar economy it is because we can aspire, because there is a vision that we have seen. We are working on a policy through a self-reliant India; the idea of the current prime minister and ruling government; and when you have an order in place it makes the journey easier. So, public policy plays a critical role in nation building. On the professional front it understands the causes and consequences and on the political front there is adoption of right policies for the right course which brings us to the utility in this regard which is by far one of the most critical elements in public policy.

There are a few judgments, and which show how the courts have actually gone ahead and discussed a bit about public policy. Let us take up the case of *State of Punjab v. Ram Lubhaya Bagga*, a 1998 judgment. In this case, the court held that government policy is based on facts, laws, constraints, or resources expert opinion. They test the utility and the benefit of the policy, so courts rather do not enter the realm of the executive and hence there is a separation of power in the government which definitely does not lie in a watertight compartment but there is definitely a separation of power. The judiciary is a guardian to the constitution. The executive is someone who will execute what the legislator legislates. So the case law was very clear as to who should formulate policy and courts should only see as to if the policy is against public order or public morality and rather not enter into the realm of the executive wherein they come and try to execute or try to legislate wearing the boots of the legislature.

In yet another case of *Federation of Railway Officers Association v. Union of India*, the court clearly held that judicial review of public policy is limited, which means that if the government takes up a decision the courts will have a limited jurisdiction to actually review that action of the government. If the public policy is related to something technical in nature and if it falls within the purview of the legislature, it will depend. Thus, judicial review is inconsistent with constitution, arbitrary, irrational use, or abuse of power. Only in these circumstances will judicial review kick in, and the courts will come into action.

They will spring into action when they see a particular policy is against the spirit of the constitution or is against the letter of the constitution by far, or there is an arbitrary or irrational use or abuse of power. In a very recent judgment in *Directorate of Film Festivals v. Gaurav Ashwin Jain*. In this case the court held that, courts are not affiliated authorities; they will check the correctness, suitability, and appropriateness of a policy. Courts are not advisors to the executive in matters of policy, and public policy is reviewed on the touchstone of violation of fundamental rights or if the policy is violating a provision in the statute or there is a clear cut and manifest arbitrariness in the policy that has been formulated. These are some of the critical elements in which a court will exercise its jurisdiction in order to test the viability of a public policy.

Public policy thus, will not be directly improved to judicial review rather only in circumstances wherein fundamental right is violated. Suppose there is a policy that clearly discriminates against two classes of people which is based on sheer arbitrariness. That, this is something that is not advisable, and that goes against the nature of public policy, that goes against fundamental rights that is violating the statute, and is also arbitrariness; that is, it does not have a reasoning behind its functioning or its coming into existence. Courts cannot interfere on the grounds of apparent error in policy and availability of better alternatives. The subject of judicial review is quite limited, and the legality of policy must only be tested. The legal ground of the policy must be tested. Judicial review is narrowed down to see whether the policy is in consonance with the spirit of the law, with the law or

is not in consonance or against the spirit of the law. So, it is quite constrained and quite narrow in its scope. Here, it is not about the wisdom or soundness of the policy. The court will not see as to how viable the policy is going to be, rather how intellectually stimulated the policy is; it will only focus on the legal points and work on the legal aspect of the same.

Another area is of the statutory corporations in public policy. There are autonomous corporate bodies under this category, also called as public corporations and they are created by a special act of the parliament or the state legislature. They have their own powers, functions and immunities which are well defined in the legislation that has been passed. It also has financial autonomy and they are answerable to the legislature. These are state owned corporate bodies. The state-owned corporate bodies are artificial juridical persons. They can be sued and they can sue. They are managed by a board of directors appointed by the government. For instance, the railway is a state-owned entity. It has a board of directors.

It can sue and it can sue and it can be sued by others as well. It can enter into contracts and purchase property and railways is one of the organizations that holds a large amount of land in the country, because it lays down the railway tracks and for this purpose it enters into various kinds of contracts to develop the land into railways, railway corridors, it purchases property etc. So, it does the function of what the government does for the welfare of the people. It has a common seal and a perpetual succession as well; it is fully owned and managed by the state and the state is the initial capital investors and the objective is purely public service and it functions like a business entity. These are bodies that help the government to take their public policy to the people, to take their ideas and visions to the people in order to make the lives of the people much easier and much more relevant in time.

We have the autonomous employee system, and this is not only for not government employees who are recruited and paid according to the rules of the entity. Then there is financial autonomy. They have financial independence and financial autonomy. They are exempt from rigid rules applicable to expenditure and public funds, not subject to audit regulations and they can borrow money from the government and from the people. They can also list themselves in the stock market. They are answerable to the legislature. They enjoy freedom in terms of internal management but when it comes to the external management, they are responsible to the legislature as to why a certain action was taken and the repercussions of the action, why is it being faced in that regard. For example, the Life Insurance Corporation of India that ensures that almost every person in India has a life insurance or has any kind of insurance so that certain parts of their life are insured, which is a state owned insurance company governed by the life insurance Corporation Act of 1956 and the objective is to spread insurance especially in the rural areas because it looks for the wider amplitude of welfare for the people which is providing adequate financial cover at a reasonable cost.

Likewise, the Reserve Bank of India which was established in 1935. It has come into existence through an Act, a legislation which is the Reserve Bank of India Act 1935, nationalized in 1949 and it is the highest organ that regulates the banking sector in India. The RBI regulates the issue of banknotes. It is the only bank that looks after the currency circulation, it prints money when required, it keeps the reserves for monetary stability. The other banks are commercial banks. Reserve Bank of India is a non-commercial bank. It is known as the banker of the banks because it acts as a banker to all the other commercial banks where people keep their money. It is the head of the banking institution and in a manner the head of the family. It operates the currency and credit system. It has a modern monetary policy framework, and it ensures and plays a critical role in maintaining price stability. It also faces global fluctuations and ensures that inflation is taken and kept under steady rules. It has central and local boards as well it has a board for financial supervision.

It is present across the states. It functions in a multitude of ways. There are various officers at various ranks who take care of the banking sector, and they regulate the entire banking economy in the country. Then we have the Food Corporation of India which was established under the Food Corporations Act 1964, whose primary objective is to provide effective price support to the farmers. There is the distribution of food grains through the PDS system that is the public distribution system in place; and this enters rural India. It also acts as one of the backbone of providing grains to rural India. It provides food security for the entire nation in and across all times and it is the reserve for the food security in India. It maintains a satisfactory level of buffer stocks of food grains and it also takes up decisions as to how the crops are growing, which crop is in excess and how the same needs or should be regulated. Organizations like these play a critical role in nation-building.

It may not seem, and their actions may not seem on a day-to-day basis, and their functions may not be felt on a day-to-day basis. But the reason they are functioning and they have been effectively functioning and this known is because the food security in our country is quite stable. The State Bank of India, which is also known as the banker to almost every Indian, is an Indian multinational public sector undertaking and financial services company. It is a listed company in the stock market, wherein, people can purchase, share and be a part as the shareholder of the State Bank of India.

It is published under the State Bank of India Act, 1955. The objective is to encourage and mobilize savings. It encourages people to open bank accounts and it has a provision of cooperative credit as well. It provides remittance services to banks and financial services to small and cottage industries, and licensed warehouse banks. It plays a major role in giving loans to small scale farmers or even large-scale farmers for that matter. People who are aspiring to enter into the business market are provided financial assistance. It is the banker to almost every Indian living in the nook and corner of the country. Let's see this case, which is *Sukhdev Singh v. Bhagatram Sardar Singh Raghubanshi*. It's a 1975

judgment which held that statutory corporations are given birth by statutes. And there are three features that should be there in a statutory corporation.

First rules and regulations framed have the force of law. They come into existence by an act, by legislation. The employees have a statutory status as well. This is because they are employees under a certain legislation. They are employees for a certain reason. Then dismissal of employees not to be in contravention of the Act. You need to take care that the people who are employed are not ousted by the provisions that go against the spirit and word of the Act. Statutory corporations and not state is under Article 12 and only a constitutional statutory authority comes within other authorities under Article 12 as stated in *Ramana Dayaram Shetty v. International Airport Authority of India*. There are a few merits and demerits of these organizations.

If we compare the State Bank of India with the private sector bank, for instance, the HDFC Bank, not every citizen in the country can open a bank account in a private bank because they have certain rules and regulations. They have a certain limit in which you have to keep your savings account. There has to be a certain stability in your savings bank and there has to be a minimum cash amount that needs to be there in your savings bank account. So, the merits of such kinds of institutions, like the Food Security of India or the State Bank of India are that they have expert managers in their management.

They have administrative authority to seek for the best of their people. They can carve out many small policies that work in the best interest in the working of the people. They can be initiative; they can be innovative and they can also be flexible in their working and also being a statutory organization they have the ability to take quick decisions in order to reach the objectives of its policy soon. And the motto as since it is a government entity or a state entity or a government undertaken entity, is service. It's not a profit making entity rather it's a service entity or a service model entity that is there for the people.

The staff is efficient. It is easier for them to raise capital because they are state undertaking. So, if they require the state, the central or the state government will come to their assistance. But as every coin has two sides, the demerits are that it is theoretical and autonomy. So, it works in a particular structure. It's quite rigid in its working. They would not want to change the way they work. At times there is a lack of initiative as well. And since there are people working on different levels at times there is a clash of interest.

Unfair practices and if not the best suitability at times and at times not suitable. So, the pros and cons can be weighed on a scale but what must be kept in mind is the service motive. Therefore, these organizations though may not be profit making entities, they play a critical role in maintaining the stability in the economy in giving the common man in India the life that they aspire and the life that they actually deserve and all the other benefits that any private bank or any private institution can give. These state-owned governments

are trying their level best. The state-owned entities are trying their level best to level up and match up with the private players. Despite certain disproportionate partialities here and there, it works out to the benefit of all. There are government companies as well. Companies like Bharat Petroleum, Indian Oil Corporation etc., which looks after the crude oil and the distribution of fuel and crude oil across various parts of India. And there are companies like Shell and there is a clear demarcation and a clear-cut change in prices that is there. So, a company or association, central or state government or central and state government combined own at least 51% of the paid-up share capital.

A government company will be a company in which the government has 51% stake and 49% is being held by the rest of the people and they are also referred to as public sector undertakings. The reason why these companies are so important and relevant is because they achieve significant equity with distribution of wealth of citizens and they help in nation building by ensuring that the growth of the nation happens along with its people and not just a particular sector of people. So, the ideology of a capitalist economy is not there, rather a mixture of capitalist and socialist wherein both can thrive at the same time. And it is suitable because private sector companies along with PSU's are needed for strategic growth and even private sector companies can be shareholders and also can be a member in these companies. So, the PSUs join hands with the private sector companies who lack financial arrangements to fulfill its objectives.

There have been various organizations that have been diluted by the government wherein, the private players or the private entity is taking a large amount of stake, and they are ensuring that the unit turns into a profit-making entity. For example, the Power Finance Corporation Limited, Chennai Petroleum Corporation Limited etc., are all examples wherein the private sector and the government sector are coming hand in hand with each other. This form is convenient when the government has to take over an existing enterprise because if the government realizes that it is a loss-making entity the government will come to involve a private sector or will try to infuse more money. For example, BSNL, the Bharat Sanchar Nigam Limited. Though it is criticized as an outdated telecom industry or a telecom company at places where the towers or the signal of companies like Jio, Reliance Jio, Vodafone, Airtel, does not reach the towers of BSNL reach because BSNL is not only a profit-making entity but it also plays a crucial role in establishing towers at border areas where there is a very thin population, because it is a service oriented and welfare company for its people; and people need connectivity. It also plays a major role in national security because you need signals, inputs, and data from those places, and companies like BSNL, hold the back pole of the government that provides security to the entire landmass.

The government may want or wish to manage an enterprise in association with private enterprises. The undertaking is a government undertaking with 15% stake, but the people who are managing it can be deputed from private companies who are doing well. They can come and take care of the company's functioning. This is where private players also

enter the domain of the private and government sector undertakings and there is competition with the private sector requiring operational autonomy always, but there are compulsions by donor countries for specific forms of organization. This is convenient when the government can be in a position to make decisions and can be in a position to take quick and rapid decisions for its people and see what works out best for its individuals.

The next among the features is that of a distinct legal entity which has a separate existence. It has its rights and duties of shareholders which are different from the company. It is formed in compliance with either the Companies Act 1956 or the Companies Act 2013 which controls itself with strict management. There are proper written rules and regulations in the form of articles of association or memorandum of association which lays down the objective of the company and the rules for its internal management and is supported by government-shared holding and private stock holding, and the companies subscribed by the government of India are not owned by it. These companies can also go and raise funds on the stock exchange.

When the government engages in trade, the position of the company is not of a political state or a political government. It is of an entity who is entering into the business domain and it's evaluated by a central government nominated authority. Generally, authority responsible is the CAG's office, that's the controller and auditor general of India which keeps a tap on these industries, on these organizations or particular institutions who are helping the nation reach great heights. In the case of *Ramana Dayaram Shetty v. International Airport Authority of India*, it is seen that an entity is called an agency when the entire share capital of it is held by the government. There is a pervasive existence of state control, it has state protected entities having monopoly status functions related to that of government and there are so many other things. On the other hand, there are entities that are owned by the government, right from BHEL, to Coal India Limited, GAIL and HAL which is playing a major role in ensuring that the defence sector gets indigenized helicopters and fighter jets that is homegrown, which also boost the country's internal defence sector and that too given India's unique geopolitical position. ONGC, NTPC, Steel Authority of India which actually formed the backbone for all these companies on a closer view can be seen as to how they work as a catalyst to one another. The steel that HAL is getting, can be provided by SAIL. They are providing a backdrop or being the backbone to each other so that the government together as an entity can be strong in business as well as in administration. This has a significance. As to the economics of SAIL, where there is a huge amount of capital required that the private sector cannot infuse, this is dealt by the public sector.

For example, electric power plants, natural gas, petroleum, the defence sector, it may not be that every private player can infuse such a large amount of money because this huge chunk of money is only there with the government and they have the robust stage here to

take up such projects. There is also the need to maintain regional balance in the geopolitical area. For the overall development, the economically backward areas also need to be touched and therefore the government entities, they establish their institutions, factories or their corporations at even the remotest area of India because you need to give and generate employment and this is something that the private players may or may not undertake. Then the PSU's take charge in underprivileged areas. So, they make and bring balance in this entire area and the development of the infrastructure. Now when there is a project that's actually unfurling at a particular place, the infrastructure also gets developed, and the government invested for development actually develops the particular area.

Once an industry comes up, officers, employees and people will come up. When all these people come up, you need the resources or facilities like hospitals, schools, healthcare centers, medicine shops, markets, supermarkets, or any market wherein these people can buy their essential services or the essential goods and items. They eventually go on to develop the infrastructure and the private sector unwillingly may or may not want to contribute to this. Another reason why the private sector would not want to contribute in these areas is because the gestation period is quite long. By the time these entities turn into a profit-making entity, it may take up to a decade and the amount of capital infused is huge and every private individual who would infuse such a large amount of money would want some kind of return if not also a huge 100% profit.

There is an aspect of control on monopoly and restrictive trade practices. PSU's control the monopoly created by private sector companies. It checks on the guidelines of monopolistic and restrictive trade practices. Not everyone can buy from all the brands that are there. So, the government has to enter in order to balance the various private sectors wherein there are companies who are only operating for the purpose of profit. These companies have the motto of service. They're doing a service for the nation, not a profit-making entity. We also have what is called the import substitution point wherein the PSUs are engaged in manufacturing and production of capital equipment, which was earlier imported from other countries. Today we are exporting such products. So, only when the government can give that boost to the private sector, they would also come up in these areas and then strengthen India's trade with other countries.

There are limitations and advantages here. The advantages of these companies are that under the provisions of the Companies Act, there is internal autonomy, there is flexibility in the decision making, there is control of the local market, curbing of unhealthy business practices as well. On the other hand, there is limitation wherein there is external interference not answerable to the parliament, political motivations and at times there is governmental inefficiency as well in all these kinds of projects because there is a lot of bureaucracy that is involved in the functioning of these entities. Now let's see the difference between a statutory corporation and a government company. A statutory corporation is



created by a special act of parliament or state legislature, whereas the government company is directly formed under the Companies Act of 1956 or 2013.

The board of directors is nominated by the government. In the case of the government, the board of directors is nominated by the government and the government is also the shareholder. Government subscribes to 51% of the capital in the government company. There is no scope for private participation in a statutory corporation, wherein in a government company there is scope for private participation in capital management. In a statutory corporation, they are bound to work within the provisions of the Act. Government companies function on the basis of business, on the basis of commercial principles.

Six, subjective restrictions imposed by the government and government companies enjoy a greater autonomy. Seven corporations are accountable to the public through the legislature. Government unconcerned ministry accountable to the public in case of government companies. There are certain projects in which the government enters into a joint venture with other companies, which are these companies wherein there is a business arrangement of two or more parties, wherein they agree to pool their resources.

They share risks to accomplish a specific task. For example, Tata entered into a public-private partnership with a company in West Bengal to make a water treatment plant for the city of Haldia. This is where the private and the government ended undertaking joined hands of state, government, and a private entity, through another arm called JASCO. Then, tasks can be a new project of business activity where the government does not have an expertise or where the private sector does not have an expertise or the private sector has an expertise but does not have the money. So, the government can infuse the money, the private sector can come in the managerial and the management position.

Each participant is responsible for profit-losses and the costs that are incurred. Now, venture is a separate legal entity in this case, partnership in the colloquial sense and the aim is to enter or to take the business into the foreign market, which again depends on how the management of the company would take the company forward. There are reasons why generally a joint venture agreement comes into picture. First is to leverage resources, second to reduce costs, third to combine expertise and fourth to enter foreign markets. These are formed through an agreement that lists rights and obligations objectives, initial contributions of the parties, day-to-day operations, right to the profit and takes the responsibility of losses.

In the case of *Faqir Chand Gulati v. Uppal Agencies*, it is a limited JV association of persons to carry out a single business. It is an association through an implied or express contract, community interest as to the purpose of undertaking stands in relation to principal and agent. But are there pros and cons of a joint venture agreement? The pros and cons of a joint venture agreement are, it gives a new business opportunity to both the private

individual and the government undertaking. It reduces the cost and risk because you have the money in safe hands, because you have the best people in the field who are holding your money too. It starts with the broader base of knowledge and the pool of talent who can actually get the work done in the best possible manner. But there are cons as well, like when there is a good thing, there will be a bad thing as well. The cons are there can be a relinquishment of a certain degree of control. The same goals and equal degree of commitment may or may not be there.

If there is an Increase in the management of teams, any change in business structure only affects the joint venture because a new team comes if the earlier team moves out. which is quite evident given it is a joint venture agreement. The entire project can go for a toss and difference in the working of the company and the management style. And there are questions as to when the project completes, how will the exit strategy be, or what will be the sale of the new business, a spinoff of the operations, the employee ownership, and will be accountable for such a reason. One of the case studies that is relevant is, which is not a JV, but per se, the study of Sony Ericsson, and how it went down. Corruption and good governance plays a very critical role in this regard, which is how corruption affects the gain out of such undertakings, which is a major obstacle to good governance. Corruption affects and undermines the trust in public institutions. When there is corruption, there will be mismanagement of public resources, there will be poor delivery of service, there will be reinforcement of marginalization and economic life, and it impacts the ability to fulfill human rights obligations. India ranks 85th amongst 180 countries as per the corruption perceptions in 2022. This is something that will work on the good governance side. This needs to be improved on an individual, departmental, state, and central level. Governments can combat corruption by implementing policies that promote transparency, accountability, and the rule of law. Then there are anti-corruption agencies as well, which are Central Vigilance Commission, Central Bureau of Investigation, Lokpal and Lokayukta. A snippet of what these actually do can be seen.

The Central Vigilance Commission was set up in 1964. In the Hawala case of 1993, that is, *Vineet Narain v. Union of India*, the CBI failed to investigate allegations of public corruption. The guidelines were laid down to ensure independence and autonomy of the CBI and the CBI placed under the supervision of the Central Vigilance Commission, which is an independent governmental agency free from executive control. And today the Central Vigilance Commission Act has been passed in the year 2003. It provides powers to inquire into the offences committed under the prevention of Corruptions Act 198, by public servants, statutory corporations, people working such corporations, government companies, societies and local authorities owned or controlled by the government. In the case of *Union of India versus KV Jankiraman*, it was held that CVC has no power to give sanction for prosecuting public servants and the power exclusively vested with the employer of the civil servant. In the recent case of Hira Nayak, it was held that when a

particular employer of a department needs to be sanctioned, criminally prosecuted for charges of corruption, the head of the department plays a crucial role in giving the sanction order to go ahead and prosecute the particular person. Otherwise, the head of the department can take a stand that it is necessary to run a departmental inquiry first and later the matter of prosecution of the particular civil servant can be taken up. CVC is a three-member body consisting of the Central Vigilance Commissioner and two Vigilance Commissioners.

The members are appointed on recommendation of the High-Powered Committee consisting of the Prime Minister, Minister of Home Affairs and the Leader of the Opposition of the Lok Sabha and the Act confers adequate independence and functions for the autonomy to the CVC. The Central Bureau of Investigation was set up by a resolution of the Union Government on the 1st of April 1963. It derives power to investigate from Delhi Special Police Establishment Act 1946 and has jurisdiction over all the Union Territories and States with consent of the State Government and functioning under the Ministry of Personnel, Public Grievances and Pension. It's a premier investigating agency in India and the divisions are Anti-Corruption Division, Economic Offences Division and Special Crimes Division.

All three have their own separate functions. The Anti-Corruption Division as the name goes, looks up into the corruption cases, economic offences, looks up into the white-collar crimes and the Special Crimes Division looks up into the heinous crimes that take place in the country. Then we have the Directorate of Prosecution, Administration Division, Policy and Coordination Division, Central Forensic Science Laboratory. All these have their own specific working, they have their own specific way to work. Anti-Corruption Division is entrusted with cases involving public servants under States or Centre involving interests of Central Government, PSU, statutory cooperation, government companies etc., preaching central laws, crime on the airlines, crime of the high seas involving serious cases of fraud, cheating, embezzlement in public joint-stock companies and involving collection of intelligence and corruption in the public services and public sector.

We also have the Lokpal and Lokayukta which came into existence through the Lokpal and Lokayukta Act of 2013 that provides for the establishment of a Lokpal for the Union Government and each Lokayukta for the States. It's a statutory body, which functions and performs through the ombudsman and inquires into the allegations of corruption against public functionaries. It has become mandatory to establish a Lokayukta for all the States. It mandates all public officials to furnish their assets and liabilities of themselves and their dependents. The jurisdiction involves conducting enquiries against allegations of corruption against the Prime Minister, Ministers, Members of Parliament, State, Central and Legislative Assemblies, Group ABC and the Officers and Officials of Central Government. Case referred to the CBI by Lokpal cannot be transferred without its approval.

The inquiry wing of the Lokpal has powers as good as the Civil Code. It can confiscate assets, proceeds, receipts, and benefits procured by means of corruption and can recommend transfer or suspension of public servants. Then there are the anti-corruption laws that look into the functioning of these institutions, when and if there are points and concerns of corruption. It can give directions to prevent the destruction of records during preliminary inquiry. Anti-corruption laws are under the prevention of the Corruption Act of 1988, prevention of Money Laundering Act of 2002, Right to Information Act 2005, public interest disclosure and protection of Informers Resolution Act 2004, Lokpal and Lokayukta Act of 2013. All these Acts look into the offences, punishment and the working of these institutions and the workings of these various legislations.

The Money Laundering Act works in order to criminalize legalizing income profits from illegal sources, and it looks after various kinds of channelizing, illegal channelizing economic crimes, which also proceeds to the confiscation of property that has been derived from money laundering and matters that are related with regards to the same. And money laundering is a punishable offence with rigorous imprisonment. The Enforcement Directorate also plays a major role in this case, especially in cases that come under the PMLA. Then you have the Right to Information Act, wherein any citizen in India has the power to ask the government how the money is being spent or how the government actually works. And it has been used widely to uncover corruption, progress in government work expenses related to information, etc.

The objectives have been to empower citizens to question the government, promote transparency and accountability in working of the government, help in containing corruption in the government and envisage better informed citizens keeping necessary vision on government machinery. Basically, the purpose of the Right to Information Act is that the government remains in check from the people, but the people should also be aware of their rights, where and when they can step in. Then we have the Public Interest Disclosure Protection of Information, Informers Resolution Act by 2004, wherein the identity of the complainant is protected, because in these matters, certain kinds of people are involved, which puts a potent threat to life and liberty.

The last part of good governance emphasizes that you require a legitimate, accountable, and effective way of obtaining and using public resources in pursuit of widely accepted policies. And that includes the development of the human being in its essence; it works on various assets and on various fronts as well. The principle of good governance needs to be participatory; it needs to be consistent with the rule of law, it needs to be transparent, responsive, and have consensus and must be objectively driven and equitable and inclusive. And the indicators of good governance are existence and quality of procedures, levels of capacity output and estimates from direct observation. And all these things are conducted by the government through various organizations. For examples, the levels of capacity or existence and quality of procedures, the output, there are various exams that takes place in

India, which is conducted by the Union Public Service Commission, commonly known as UPSC, or the State Public Service Commission, that actually goes on to depth and sees as to how and which kind of people should we select, which can, who can come into the government department and take the principle of good governance to meet it into a reality.

And transparency is one of the most essential elements in good governance. You need to make the public aware of the functioning of the government. People must know who, why, what, how and how much. The people should be aware as to who is responsible, why a particular action should be taken, the need for such action, the method of taking the action, and what cost was incurred towards the same. The public hold power for the common good, and the components are availability of information, government policies and actions, clear sense of organizational responsibility, assurance of government, efficiently administered, corruption free of government system and informed citizenry, which is one of the most important elements in good governance.