The quality of governance in any society is closely tied to the ability of the State apparatus to appreciate the expectations and aspirations of the citizens and provide the necessary institutional means to legitimately fulfill those aspirations. The ability of the State to provide good governance depends on its organizational structure, policies and procedures underlying its activities, quality of its own employees, size and composition of Government expenditure, application of modern technology and the nature of system adopted to receive feedback, review of the Government institutions in regard to their ability to fulfill the needs of the citizens and adopt to the new challenges and opportunities thus become central to good governance.

With changing socio-economic conditions of the society and the advance in science and technology, the aspirations of citizens and the means to fulfill them undergo significant changes. To meet the new demand imposed on the State machinery arising out of technological and social changes, it is crucial that the State as an organizational organism adapts itself to the new situation. Rigid policies and public institutions in the face of changing socio-economic conditions tend to generate a variety of strains in the system manifested in discontent with governance system, deceleration in economic activity, violation of human rights, threats to the environment and increasing social inequity.

Governance reform offers the institutional solution to enable the Government organizations to adjust and adapt to the changes in the modern society and to remain fully equipped to realise the aspirations of the citizens. It provides the essential mechanism that keeps the Government machinery citizen-centric, modern, smart and efficient by facilitating continuous examination of the relevance and appropriateness of what functions are undertaken in Government, why they are done and how they are done. It also provides the facility for constant enrichment of the capacity of the employees to deliver public services better and perform their duties more efficiently by ensuring proper training and orientation. It also presents an opportunity to modernize Government processes.

Reforms and growth are closely intertwined. The goal of accelerating economic growth in terms of expansion of aggregate output, employment and income of the economy can be achieved only with high rate of capital formation in the economy as it enables strengthening of the important infrastructure like bridges, highways, railways, ports, airports, telecommunication networks, power, irrigation and so on. Public investment is important for improvement in the quality of human resources by expansion of education and health care facilities. It is needed to create income earning opportunities in backward areas. Public investment plays a critical role in removing of inter-regional, inter-personal and inter-sectoral inequalities in income and wealth. While private investment predominantly focuses on directly productive activities in order to be commercially
sustainable, public investment needs to concentrate on activities which have high social benefits that require allocation of heavy resources. Besides, public investment also helps in avoiding deflationary pressures in the economy by maintaining high rates of capital formation even during periods of deceleration of private investment. Public investment is undertaken by institutions that are owned, controlled or supported by Government. The level and rate of growth of public investment, and ultimately economic growth, therefore, critically depend on the efficiency and effectiveness of the Government institutions.

Besides stimulating private investment for promoting economic growth, Government Institutions also formulate and implement programmes of welfare to promote distributive justice and equity. The vulnerable sections of society, whose interests tend to be bypassed, or even prejudiced by the actions of the private sector, require governmental support, particularly for health care, education, nutrition, supply of essential goods at affordable prices, job and income-support. Backward and disaster prone regions which do not get the benefit of general economic expansion cannot have their needs fulfilled without the delivery of public services by the Government institutions. Even in advanced regions essential statutory services have to be supplied by Government institutions. Thus, for the overall growth and development of the society, the quality of performance of Government institutions assumes great significance.

The performance of the Government institutions depends on their capacity to produce the desired outcomes. The capacity may be measured in terms of the quality of their employees, the application of modern technology, adequate budget for essential operations, the capability of their processes, policies and procedures, and so on. It is therefore important to have a mechanism that ensures constant review and improvement of the capacity of the Government institutions to achieve their mandated goals. The mechanism should enable quick identification of defects and constraints that cause failure in achieving the desired outcomes in the Government institutions. The causes of the defect must be analysed properly, and a remedial programme should be formulated and implemented. A robust monitoring and evaluation system should be put in place so that bottlenecks in the implementation can be removed. A stable system must be established for proper diagnosis of defects, design of improvement plans, and implementation of the plan and monitoring of the implementation of the improvement plan.

Government of Orissa has started transforming Government institutions into smart, modern, citizen-centric, efficient and transparent organisations. This programme has fourfold approach to modernization.

- Application of modern technology.
- Training and development of employees.
- Changes in Government policy framework.
- Re-engineering of Government processes.

The ultimate objective of the programme is to improve the capacity of Government institutions to play their role effectively, particularly the delivery of public services to the poor and vulnerable sections of society. It provides external support in terms of quality human resources to diagnose their problems and design a reform action plan. It provides support for change management in Government offices so that the employees adopt the change plan without difficulty. It enables study of existing rules and procedures of Government that have outlived their utility, formulation of new policies, guidelines and manuals, and establishment of modern method of work.

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