

PREVENTIVE VIGILANCE IS KEY TO GOOD GOVERNANCE IN PSES: PATEL

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Urjit Patel

Reserve Bank of India Governor Urjit Patel emphasised on preventive vigilance for improving governance standards in public sector enterprises (PSEs) and said punitive vigilance may not achieve the desired results.

“Reserve Bank of India considers preventive vigilance measures as the lynchpin of its efforts for good governance,” Dr. Patel said during a speech at the Central Vigilance Commission, New Delhi.

He said preventive vigilance takes centre stage and becomes a key effective tool of governance in a public sector institution. “When lapses can arise due to background noise outside of the employee control (which is often the case in public sector due to the complexity of the interaction with a multitude of other public sector entities), punitive vigilance becomes even less attractive due to further demotivation that it might induce; in turn, so does detective vigilance,” he said.

Effective mechanism

“While not taking away from the need to engage in some detective and punitive vigilance, preventive vigilance is conceptually likely to be the most effective governance mechanism at public sector institutions,” he added.

The Governor said that punitive vigilance was difficult in a public sector institution for several reasons, adding the rewards were low to start with, thereby limiting the possibility of downward revisions.

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