# ADMINISTRATIVE REFORMS

Governance: Civil Service & Politician Interface
B.K. Chaturvedi

Emerging Paradigms of Administrative Reforms
R. B. Jain

Reforming Public Services: Embracing a New Management Philosophy
B.P. Mathur

Administering in an Age of Global Regulation
Biju Paul Abraham

Special Article
Strengthening Rural Lending
Nachiket Mor & Deepti George
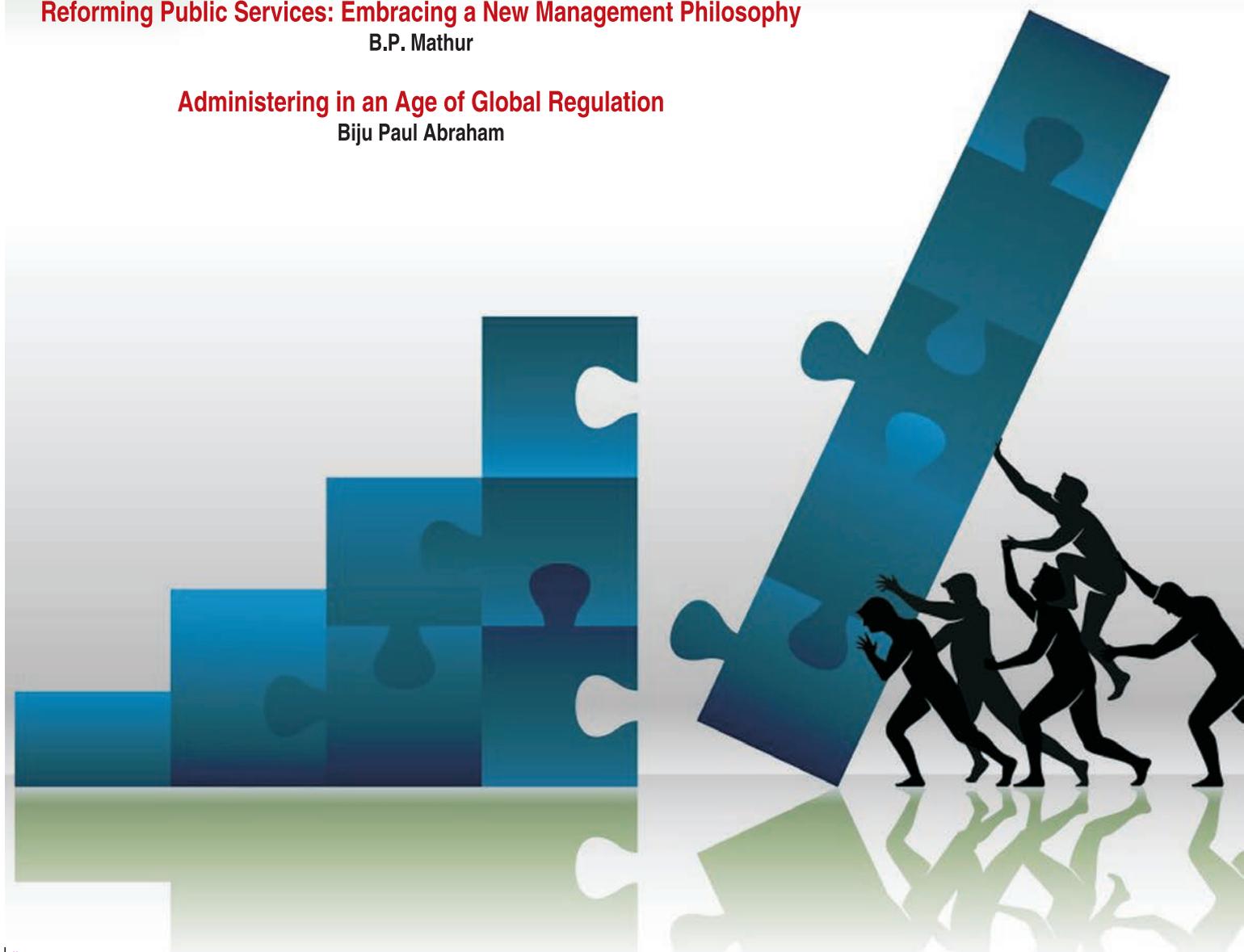
Ministry of Information and Broadcasting
Government of India

**Brick by brick We built our Nation
In partnership with each other**

**Collectively We put our Nation
On the path of progress and prosperity**

**Should We then not say that
We built India together**

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65th Republic Day

Let noble thoughts come to us from all sides
Rig Veda

CONTENTS

Fire on the Mountain

The grand narrative of democracy can be said to define the modern world. People have created revolutions with their blood, sweat and tears only to realise that it has to be thrown out with even greater sacrifices. Nations have succeeded in casting away the yoke of foreign rule only to discover that they have to fight anew against their own system which remained infected with the ethos of the repressive and exploitative past. Ordinary men and women struggle to save the dream of a life of dignity being washed away by a system that refused to wipe their tears and listen to their sighs. Kafka's lament 'every revolution dissipates and leaves behind only the slime of a new bureaucracy' notwithstanding, democracy has remained the lodestar on the political firmament of nations.

Perhaps this picture is a shade darker than reality. Indeed we have covered a long distance from where we started. There is no doubt we have had our share of success in bringing a sliver of smile on the face of our people. Through trials and tribulations, the country has displayed enough tenacity and grit to hold on to the chosen path and forge ahead to mark its place in the world. However, we need to sit down and ponder whether the vision of democracy we assiduously built over long years of toil has faltered in realising its promises made at the stroke of 'midnight hour when the world was sleeping but India had awoken to life and freedom'?

In fact, all grand narratives require a structure and framework for their realization. The civil services, the administrative apparatus of the state and the architecture of governance provide the instruments to actualise the vision into reality. India inherited an extensive and well defined administrative set up from the British but the challenge to change its spirit and motivation, attitude and direction remained to be accomplished. The transformation of society depended crucially upon the transformation of this apparatus itself from being *Sahibs* to *Sewaks*. The 'steel frame' needed to flow with the spirit of service without which it becomes a cage arresting change, frustrating innovation and ultimately becoming the cause of social unrest, disaffection and violence.

We should look at the idea of administrative reform in this broader context. On the face of it, administrative reform may sound like a mundane and humdrum concept but the truth is that it has a deep implication for the quality of life people lead. After all, it is the administration in all its varied forms- from a *patwari* to the secretary to the government of India, from a traffic constable to the commissioner of income tax- which is the face of the state for the people. Reform in administration is sine qua non if we wish to see a fundamental transformation of our country.

It is a matter of some satisfaction though, that scores of innovative experiments have been carried out in the country to make the administration people oriented, responsive, transparent, effective and efficient. Legislative measures like RTI and Lokpal are seen to be systemic milestones to put a leash on corruption. However, administrative reform is a continuous process which has to evolve in response to the changing realities of the world. The furious pace of technological change in the world, rapid globalisation and growing specialisation in various fields of administration require the administrative structure to be agile and flexible.

It must be remembered that administration 'provides social legitimacy to the system'. In recent times, the country has witnessed a heightened sense of anger and frustration among people which points to a deep erosion in the perceived legitimacy of many of our cherished institutions of governance. However, we can repose our trust in the resilience of this great nation to emerge pulsating with a new energy and vision for future. Hasn't the poet said-

If there's fire on the mountain
Or lightning and storm
And a god speaks from the sky

that means someone is hearing
The outcry and the birth-cry
Of new life at its term.

(Seamus Heaney)
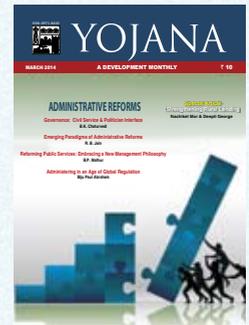
Reforming Public Services:
Embracing A New Management Philosophy

B P Mathur

India should draw lessons from the experience of other countries and move towards creation of Performance Based Organisations for public service delivery. This will make the machinery of government efficient, economical, sensitive to citizen's needs and transform it into professional and performance oriented management

QUALITY OF governance is increasingly being realized as the primary reason behind the success stories of advanced countries of the West. It is widely perceived that India's dismal record in economic and social development is largely due to poor performance of public services. The administrative machinery is not designed to provide people friendly services, as inefficiency and malfunctioning is marbled into the bureaucracy. The Second Administrative Reforms Commission (10th Report on Personnel Administration, 2008) had observed, "Often systematic rigidities, needless complexities and over-centralization make public servants ineffective and helpless in achieving positive outcomes. On the other hand, negative power of abuse of authority through flagrant violation of law, petty tyranny and nuisance value is virtually unchecked."

One of the big challenges that we face in the country today is to reform the public management systems. A large part of the problem is due to our following the Weberian model of bureaucracy which we inherited from the British. The Weberian bureaucracy constitutes a career with a system of promotion based on seniority, fixed remuneration for officials with a right of pension, organized as hierarchy and adhering to rigid rules. Experience has shown that old fashioned bureaucracies are unresponsive to people's need, as they are embroiled in red tape and formalism, love tradition and stand for conservatism and status quo. Today's environment, where developments in the field of computers, electronics and avionics have crushed time and space, demand institutions which are extremely flexible and adaptable, so that they are capable of delivering high quality services to the people and meet multiple challenges in a complex globalized world. Commonwealth countries such as UK, New Zealand, Australia, Canada, Singapore have discarded the Weberian model of bureaucracy and embraced a new philosophy known as New Public Management, with dramatic increase in public service efficiency. The main component of NPM philosophy is devolution of authority, performance contracting and customer focus.

In India, several high level committees and commissions consisting of eminent men, have come out with laudable recommendations to reform public management systems but most of their recommendations have remained unimplemented. As a result, we are trapped in an outdated bureaucratic machine for which the

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people of this country are paying a heavy price. The main reasons for poor functioning of public services are absence of accountability, outdated laws, rules and procedures, high degree of centralization, poor work culture, lack of professionalism and politicization of services. It is time we bring fundamental reform in public administration and embrace a new philosophy of management.

Bringing Accountability in Public Services

One of the main reasons for poor performance of public services is the lack of accountability. Accountability can be brought about by: (a) linking promotion and career advancement of an officer with actual performance on the job, (b) bringing competition in civil services and (c) enforcing strict disciplinary regime.

Emphasize Performance

Today in public services, there is hardly any emphasis on job performance and incentive for hard and meritorious work. The rules relating to promotion

The Second Administrative Reforms Commission (ARC) noted that the existing system of performance appraisal is unsatisfactory and has suggested that it should be transparent with 360 degree feedback, there should be numerical rating on the pattern of Armed Forces and an independent third party be associated with the assessment.

with excessive reliance on Annual Confidential Reports (ACR) are so framed that everyone gets his promotion when his turn comes and encourages mediocrity. The Second Administrative Reforms Commission (ARC) noted that the existing system of performance appraisal is unsatisfactory and has suggested that it should be transparent with 360 degree feed-back, there should be numerical rating on the pattern of Armed Forces and an independent third party be associated with the assessment. ARC's most important suggestion is a comprehensive in-depth

assessment at important milestones in an officer's career - first review be done on completion of 14 years of service, and another on completion of 20 years. If he/she is found unfit after second review, the service may be terminated. A government servant's promotion, career advancement and continuance in service should be linked to his actual performance on the job and the dead wood should be weeded out.

Competition and Specialist Knowledge for Senior Level Appointments

The task of policy making in government is complex and needs specialist knowledge of the subject. Under the existing system, the most senior level appointments in the Central Secretariat as well as top field level posts are made from amongst the Indian Administrative Service (IAS) officers who are generalists. The Second ARC has observed that the present process of empanelment of officers for the post of Joint Secretary and above is not fair, objective and transparent and overlooks the real merit of the officer and his suitability for a particular job. It has identified 12 domains in which officers should specialize. It has recommended that domain should be assigned to all the officers of the All India Services and Central Civil Services on completion of 13 years of service and vacancies at the level of Deputy Secretary/ Director should be filled only after matching the domain competence of the officer for the job. The Commission has suggested introduction of competition for senior positions in the Senior Administrative Grade and above (Joint Secretary level) by opening these positions to all the Services. For Higher Administrative Grade posts (Additional Secretary and above) recruitment for some of the posts could be done from open market. It has further suggested constitution of a statutory Central Civil Services Authority which should deal with matters of assignment of domain, preparing panel for posting of officers at different levels, fixing tenures and determining which posts should be advertised for lateral entry.

The First Administrative Reforms Commission, far back in 1969, had

emphasized the need for specialization by civil servants as a pre-qualification for holding senior level posts and had suggested that all the Services should have an opportunity to enter middle and senior level management levels in Central Secretariat and selection should be made by holding mid-career competitive examination, which should include interview, to be conducted by UPSC. The Surendra Nath Committee (2003) and Hota Committee (2004), appointed by Government had also emphasized domain knowledge and merit as the basis for appointment to the posts of Joint Secretary and above in the Government.

It is imperative that the running of government be professionalized and not only Joint Secretary and higher posts in Central Secretariat, but all SAG/ HAG (Senior/Higher Administrative Grade) posts in the field such as Commissioner, Income Tax, Collector, Central Excise, Accountant General, Chief Engineer, CPWD, Director, Health Services should be thrown open for competition, to not only candidates within the civil services, but also to competent professionals such as tax lawyers, chartered accountants, corporate executives, academics, engineers and doctors, if we wish to bring real efficiency in the public services.

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engineers and doctors, if we wish to bring real efficiency in the public services. In order to keep objectivity, the selection for these posts should be made by UPSC. In countries which have embraced the philosophy of New Public Management such as UK, Australia, New Zealand etc., all top posts in Civil Services have been thrown open to competition and selection is done by Public Service Commission. The proposal, if implemented in true spirit will meet several objectives: it will help in getting the best men for each job, as recruitment will be job specific,

The Commission to Review the Working of the Constitution (2002) headed by Justice Venkatachaliah has noted that, 'the constitutional safeguards have in practice acted to shield the guilty against swift and certain punishment for abuse of public office for private gain', and suggested re-visiting the issue of constitutional safeguards under Article 311, to ensure that while the honest and efficient officials are given the requisite protection but the dishonest are not allowed to prosper in office.

it will introduce the much needed specialization in Services and it will take away the power of appointment of top posts from the hands of politicians and depoliticize the services.

Enforce an Effective Disciplinary Regime

Presently, the provisions of discipline rules are so cumbersome and torturous that it becomes very difficult to take action against a delinquent employee for insubordination and misbehavior. Thus, once appointed, it is almost impossible to remove or demote an employee. This is expressed in an epigram, "public employees are like headless nail, you can get them in, but can't get them out." This results in poor work culture and all round inefficiency. The provisions of Civil

Service Conduct and Discipline Rules are porous and complicated with numerous loopholes and weighted in favour of the delinquent. The Commission to Review the Working of the Constitution (2002) headed by Justice Venkatachaliah has noted that, "the constitutional safeguards have in practice acted to shield the guilty against swift and certain punishment for abuse of public office for private gain", and suggested re-visiting the issue of constitutional safeguards under Article 311, to ensure that while the honest and efficient officials are given the requisite protection but the dishonest are not allowed to prosper in office. The 2nd ARC has expressed similar views and observed that legal protection given has created a climate of excessive security without fear of penalty for incompetence and wrong doing. There is a need to recast the disciplinary procedure so that quick and summary punishment could be given to delinquent employees, while keeping in view the principle of natural justice.

Transforming Work Culture

Presently, most government departments suffer from poor work culture and low productivity. In order to provide cost-effective efficient services, there is a need to downsize the government, improve work environment and privatize some of the services. Both the Central and State governments have vast sprawling bureaucracy which needs to be downsized. The Fifth Pay Commission (1997), as well as Expenditure Reforms Commission (headed by K P Geethakrishnan, 2000-01) have given vast array of measures for restructuring, reorganizing and downsizing various ministries and departments which would bring greater efficiency and cut cost. Some of their key recommendations are: (a) The multi-level hierarchical structure should be reduced and an officer oriented system with level jumping be introduced to speed up decision making.(b) In ministries which are policy making bodies, Section should be abolished and a Desk Officer system be introduced from where noting of the file should begin. (c) The

ministerial staff divided in numerous categories such as Assistant, UDC, LDC, PA be abolished and replaced by a multi-skilled position called Executive Assistant who should be computer savy. (d) Government offices should be modernized with provision of computer and other gadgets and a conducive work environment should be created. One of the reasons why the employees have low productivity in government offices, is due to dehumanization of work. Most employees are knowledge-workers and less likely to defer to authority and top down command. They need to be motivated and empowered by giving them more responsibility and decision-making authority. There is a need to create a lean, thin and efficient government machinery by modernizing procedures and work methodology and abolishing the 'babu' culture in the government offices.

Streamline Rules and Procedures

A large number of rules and procedures relating to citizen's day to day interface with government in

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matters such as issue of passport, registration of property, sanction for construction of dwelling unit, licence for starting a business, inspection of factories, are outdated and dysfunctional and give opportunity to public servants to delay and harass. These rules

should be updated, simplified and discretionary power of public servants be eliminated.

A good part of efficiency of a government office depends on personnel, financial and procurement management systems. The rules relating to personnel management are outdated and rigid and give no flexibility to departments to adapt to local conditions resulting in inefficiency. The existing rules relating to budgetary utilization leads to huge wastage of money, as it gives perverse incentive to rush expenditure and use-up allotted funds towards the end of fiscal year in March. Most countries have shifted to multi-year budgeting–UK has now a three year budgeting cycle with no lapse of money at the end of the fiscal year. The procurement rules require buying from lowest bidder after floating a tender. This prevents acquisition of quality equipment and services which could

Most countries have shifted to multi-year budgeting- UK has now a three year budgeting cycle with no lapse of money at the end of the fiscal year. The procurement rules require buying from lowest bidder after floating a tender. This prevents acquisition of quality equipment and services which could secure value for money. The budgetary and procurement rules should be changed, giving sufficient flexibility to departments to be able to use their judgement to secure best value for money.

secure value for money. The budgetary and procurement rules should be changed, giving sufficient flexibility to departments to be able to use their judgement to secure the best value for money. The whole system is based on mistrust. Government must repose trust on its civil servants.

Privatization and Contracting Out

There is a need for privatization and outsourcing of large number of services which, the government is

directly doing in order to improve efficiency and cut cost. There is a strong case for privatization of services like municipal street cleaning, garbage collection, security services, power distribution, city transport etc. In an era of liberalization, there is economic logic to privatize those state owned enterprises which are either running in loss or in the tertiary sector of the economy such as hotel, tourism, engineering and textile sector, where they cannot compete with private sector and are a big drain on national resources. There is also a great deal of justification in opening certain sectors of the economy, like airlines and telecom to private sector, as government does not have resources to meet the burgeoning public demand. Experience has shown that increasing use of competition in the delivery of public services, including competition between public and private sector providers has improved cost effectiveness and service quality.

Performance-based-Organization

Today, the working of the Government is highly centralized with all powers concentrated in Ministries and Departmental Heads. There is a need for paradigm shift in this approach and operational freedom be given to persons in the field who implement programmes and schemes by placing trust and confidence in their ability to deliver results.

Advanced countries such as Britain, New Zealand, Australia, Canada, Singapore, Japan and USA have revamped their bureaucratic systems and migrated to professional management of the bulk of the government activity through creation of 'Agency' or 'Performance Based Organizations'. In Britain, which took the lead in reforming public services, the Chief Executives of Agency are selected through competition open to public and private sector and are hired on the basis of a contract. Each agency negotiates an annual performance agreement with its parent department that includes measurable targets for financial performance, efficiency and service quality. The creation of Executive Agencies has resulted in substantial gains in efficiency in the

British public services. A Treasury and Civil Service Committee of the House of Commons observed that Executive Agencies have brought about 'overall transformation in government' and termed it as, "the single most successful reform programme in recent decades". India should draw lessons from the experience of other countries and move towards creation of Performance Based Organisations for public service delivery. This will make the machinery of government efficient, economical, sensitive to citizen's needs and transform it into a professional and performance oriented management.

The Challenge

Reforming public services poses a major challenge before the government. The biggest obstacle comes from the bureaucracy, which, with its deep

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vested interest, resists any attempt to make it performance oriented and accountable. An inefficient, corrupt and supine civil service suits the run of the mill politician in power, as it can be manipulated to do their bidding. Gunnar Myrdal, the Nobel prize winning sociologist described India as a 'soft State', its leaders unwilling to take hard and uncomfortable decisions. There is a need for political will at the highest level to bring meaningful reforms. It is time Government makes a sobering realization that public service reform is an essential pre-requisite to alleviate poverty, illiteracy, malnutrition and deprivation from the country and make India a happy, healthy and prosperous place to live. ❏

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Governance: Civil Service & Politician Interface

B K Chaturvedi

It has to be emphasized that the onus is on civil servants to strengthen public administration and good governance. However, while working as part of policy making or field responsibilities, it may be useful to understand the nature of the relationship between the political executive and the civil service. It is also necessary to appreciate the enormous inconvenience and widespread corruption faced by the people while availing public service

TWO IMPORTANT issues facing the nation today are how the economic growth can be accelerated and how benefits of growth and development can flow to the citizens in an efficient manner. Issues of governance have increasingly come to centre stage while working out strategies for the above. There is a strong view that corruption in civil service is endemic and funds provided by government leak very badly. I recall a recent discussion during a book launch when it was argued that from the famous fifteen paisa reaching the poor man, the amount is now reduced to five paisa. There are large technological changes taking place in our society. The aspirations and expectations of citizens from the government system are of delivery of service of the highest order of excellence.

The independence of civil service in giving advice in policy-making and in performing field responsibilities is an important issue which has affected the functioning of the civil service in recent years. In the Constituent Assembly of India, on 10th October, 1949, Sardar Vallabh Bai Patel said:

"If you want an efficient all-India service, I advise you to allow the service to open their mouth freely. If you are a Premier, it would be your duty to allow your Secretary, or Chief Secretary, or other services working under you, to express their opinion without fear or favour. But I see a tendency today that in several provinces, the services are set upon and told, "No, you, are servicemen, you must carry out our orders." The Union will go, you will not have a united India, if you do not have a good all-India service which has the independence to speak out its mind, which has a sense of security that you will stand by your word and that after all, there is the Parliament, of which we can be proud, where their rights and privileges are secure. If you do not adopt this course, then do not follow the present Constitution."

And further:

"Today my Secretary can write a note opposed to my views. I have given that freedom to all my Secretaries. I have told them, "If you do not give your honest opinion for fear that it will displease your Minister, please then you had better go. I will bring another Secretary," I will never be displeased over a frank expression of opinion."

In the initial years of independence, in the 1950s[1] and even the early 1960s, the relationship between political executive and civil service was of trust and non-partisan functioning of the civil service. This trust has gradually given way to segmentation of civil servants and their politicisation in many cases. Two different types of relationships have emerged. First covers those, who try to maintain a degree of integrity

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The author is Member, Planning Commission, New Delhi. He started his career in the Indian Administrative Services and retired as Cabinet Secretary to Government of India.

and upright behaviour. Second covers those senior civil servants, who cosy up to the political executive and go along with them, irrespective of the civil service norms, good conduct or ethical behaviour. Often, the second category is bifurcated when the political power is transferred from one political party to the other. Invariably, one group of the committed faction of civil service starts its innings in close proximity with the political executive and the other committed class is put in the dog house. Of the first category, the number is gradually dwindling. There is increasingly a feeling that civil servants who fall in this category may not be treated fairly by the political class in respect of their assignments, transfers or their other service matters.

An important point, which is often overlooked in the above context, is the requirement of citizens for good governance. This is invariably a casualty when the political executive and the civil service cosy up to each other forgetting the norms for good administration.

Two different types of relationships have emerged. First covers those who try to maintain a degree of integrity and upright behaviour. Second covers those senior civil servants who cosy up to the political executive and go along with them irrespective of the civil service norms, good conduct or ethical behaviour. Often, the second category is bifurcated when the political power is transferred from one political party to the other.

The Civil Service provides an exciting opportunity full of challenges. There are very few services which provide such a vast range of challenges, a mix of field and policy making opportunity and opportunity to act as a key player in the national growth process. One has to be proud of one's work and dedication to get full satisfaction from these challenges. These, however, require qualities which one has to develop.

Senior civil servants belonging to All India Services (AIS) have a special responsibility, in case they are to live up to the commitment with which they have entered the service. Business as usual cannot deliver results. The civil service has to live up to certain norms of behaviour which, in the long run will bring them success, but may be painful in the short run. At times, acting in accordance with laws and rules or pointing out their implications may be termed as risk-aversing behaviour. One may be assigned inconsequential jobs. There can be others who may try to get short-run advantages by using their closeness to political masters. In the long-run, however, persons who have acted in accordance with norms and delivered results are generally able to come up and be recognized. Such civil servants are well-respected by peer groups, subordinates, the people and even the political parties across the spectrum.

Civil Service has to follow norms of professional conduct. These will not only bring good governance agenda on centre stage, but also once again enhance the reputation of the All India Service as that of a steel frame which serves the country for growth and prosperity. It will also help in development of confidence of people in the civil services and earn them new respect.[2] Let me highlight some norms for civil servants:

First, maintain high personal integrity. The strength of civil service is people's faith in their absolute incorruptibility and honesty. This is specially so in top civil servants who should be absolutely beyond reproach. This gives you strength to get your way with the political executive who respect such officers. Even in corrupt regimes, such officers are respected.

Second, be fair in administering law, policies and administrative decisions. The biggest strength of civil servants is people's faith in their impartial and fair actions and transparent functioning. Do make positive efforts to ensure that your decisions appear fair and transparent in people's eyes as well. It is worth several battalions of paramilitary forces.

Third, people respect you for your knowledge and skills. Acquire thorough knowledge and develop an analytical ability to fully assess and understand issues which need to be addressed with adequate attention to details. Decisions arrived at, after full understanding of issues, are likely to be implementable and deliver expected results.

Fourth, field jobs, on which civil service often has to spend time, provide an opportunity for change in the system. Your motto should be to deliver results and work as an effective field officer. This may require taking tough and unpopular decisions. It often requires "out of the box" thinking and taking action against the corrupt. Don't hesitate while taking the right action.

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But be fair and just in your decisions. You may have to face difficult times in some cases.

Fifth, Good Governance is a Fundamental Right of the citizen. Identify gaps in public service delivery and implementation of schemes. Identify rules and regulations which are hampering progress and suggest changes to Government. Use innovation and adoption of best practices in implementation and encourage its development in your team. Be open-minded and mentally receptive to new ideas. Delivery of public services, if done efficiently, leads to consumer satisfaction, optimum use of financial resources, economic betterment and lower corruption.

Sixth, the biggest disservice to the governance structure is to hesitate in taking decisions or deliberately

avoiding it. Do not hesitate to take decisions. If you have reservations on your ability or are worried about being responsible for its consequence, don't join the civil service. The entire career in civil service is about taking decisions and making clear policy recommendations for decision taking. Acts of omission often may go unnoticed or not punished. These are, however, extremely harmful for good governance.

Seventh, in civil service you may invariably be the leader of the pack. Assume full responsibility for achieving the targets and key performance parameters of the organization which you are heading. Learn to delegate authority but ensure effective leadership. This can come if

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you are perceived by your organization as not prone to blaming subordinates for shortcomings in any targets. This will earn respect from subordinates, colleagues and even seniors. It is an excellent remedy for success of leadership.

Eighth, be sensitive to the needs of poor, especially marginalised groups, women, SC/ST and minorities. These are the groups which need your support the most. By effective implementation of programmes for them and your empathy for their welfare, you can help build an egalitarian society. Affirmative

actions in their favour build confidence in civil service.

Ninth, the political executive makes policies in consultation with civil servants for attaining certain objectives for the welfare of people. While advising Ministers and working as senior civil servants, analyse all the reasonable policy options which can be considered on the issue under examination. Examine also whether a policy, that the government is wanting to implement, is under any political compulsion and has short-term benefits only and not in the long-term national interest. If so, put forth your views clearly and logically. Suggest quite clearly, with reasons, why you consider any policy option as the most appropriate and meeting the policy objectives.

While giving advice, do not anticipate what the Minister may like to hear. State what you consider the most appropriate course of action. You will be respected in the long run by peers, as well as the political executive.

Tenth, do not criticise Government policies in public discussions. As a civil servant, the responsibility on you is to provide support to the government to enable it to defend the policies. By criticising it, you are undermining government, as well as yourself. If the issue is really serious and you do not think that you can live with such government policies, you should consider quitting the job and undertake other assignments.

Eleventh, develop inter-personal skills. In the modern world with wide range of organisations, private sector expansion and technological explosion, it is important that you have good relations with persons from different sectors to enable you to access them when needed. It increases your effectiveness while handling difficult issues in the field.

Twelfth, adapt to IT use, new technologies and their use to ensure good governance. Information technology can help reduce delays, ensure efficient delivery of public services and cut down corruption. You must be, therefore, fully cognisant

of its use and potential. Simplifying administrative procedures promotes good governance.

Thirteenth, prepare well in advance to ensure effective articulation of the view point of your Ministry. Put forward your point of view concisely and in a focused manner. It is important that you absorb fully the issues at hand and are clear in your mind about the approach which you wish to take in any inter-ministerial forum.

Fourteenth, develop the ability to listen to visitors and different points of view carefully and patiently. An enormous amount of feedback about problems in the field and different approaches can be had in this manner. This is the best learning method.

Fifteenth, develop the ability to integrate and form a consensus view point consistent with the policy objective planned. While doing so, you should be able to evaluate and assess the technical, social and

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political dimensions of the problem. This is extremely critical at senior policy-making levels where different approaches and points of view have to be put together. You should not be shy of taking tough decisions in the interest of effective policy implementation.

Sixteenth, make a well-informed judgement of ground realities and policies which will work. Have a feedback on the proposed policies from those working in different geographical area where the proposed policies or

plans are supposed to be implemented. Ensure enough flexibility with ground realities in your plans.

Seventeenth, accept challenging assignments. Do not try to wriggle out of it. Often, these assignments involve tough decision taking and have risk of failure. Success can be assured if you have accepted the challenging job and are working diligently with all stakeholders as a team. This will give you visibility and test your ability to handle tough assignments.

Eighteenth, in face of grave provocation, stand by your principles and convictions. Do not lose your cool. The administrative challenges are varied and involve wide varieties of people and organisations with vested interests. You can handle them only if you are considering all questions coolly and objectively.

Nineteenth, civil servants are accountable to Government. There is, however, public accountability also. Identify key target areas which you must achieve during your work based on

...in face of grave provocation, stand by your principles and convictions. Do not lose your cool. The administrative challenges are varied and involve wide varieties of people and organisations with vested interests. You can handle them only if you are considering all questions coolly and objectively.

Government policy and programmes. Identify people's felt needs and enmesh them in your programme too.

An interesting aspect, in the above context, is the relative responsibility of political executive and the civil service in improving the governance system. It has to be emphasized that onus is on civil servants to strengthen public administration and good governance. However, while working as part of policy making or field responsibilities, it may be useful to understand the nature of relationship between the political executive and the civil service. It is also necessary to appreciate the enormous inconvenience and

widespread corruption faced by the people while availing public service. Following points, therefore, need special focus:

First, the corruption in governance system and delivery of public services is quite widespread. It has to be tackled initially by preventing possibility of corruption. For this, it is necessary to make public service delivery procedures simple, use of Information Technology and bringing in transparency in decision taking. Next, those guilty of corruption have to be identified and punished quickly.

Second, it is useful to recall that the All India Services are creatures of the Constitution (Article 312). While the services have to follow the policies laid down by the Government headed by the political executive, they also have legal obligations under certain statutes, whenever they exercise those powers. Such exercise of power has to be done with an independent application of mind.

Third, it is important that Civil Servants clearly bring out their views in writing while doing an analysis of the issues concerned when engaged in the task of policy making. If certain government policy is not in public interest and may lead to harmful results, this has to be clearly brought out in your notes and analysis. Once, however, you have clearly mentioned your view and a considered decision has been taken, it has to be implemented with full vigour. Thus, while the civil servant is free to express his views freely, one cannot keep opposing a decision taken by the government unless there are serious intellectual differences. In such cases, one should consider quitting the job and undertake new assignments.

Fourth, there may be complex situations in which Ministers and some civil servants try to push illegal orders on subordinates. This could be because of ulterior monetary interest or corruption. There could be Mafia. In all this foggy and unclear vision, the civil servants have to be clear on their course of action for handling these situations. The approach should be quite clear to

them while handling these situations. First, orders which are illegal or against any statutes or interfere with your exercise of authority vested in you under a law, have to be ignored. Second, administrative orders, if you find unfair or unjust, must be protested against with reasons. If reiterated, these have to be implemented. It may in some cases, cause damage to one's career. In the long-run, however, peers and colleagues respect you for it. In many cases, colleagues and seniors come forward to undo the damage to your career caused by your not

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implementing unfair or unjust orders. Success has its price. It cannot be built on falsehoods, inequity and illegality.

The political executive which is responsible to the legislature has to also reconsider how the governance can be strengthened. The norms of conduct mentioned above will need a strong political consensus. They may need to discuss it across the country and their readiness to act on it as Sardar Patel had advised more than six decades back.

Endnotes

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Strengthening Rural Lending

Nachiket Mor
Deepti George

The development of critical complementary infrastructure for customer data (such as credit bureaus and alternate-data repositories); warehousing, particularly of the type which facilitates making electronic warehouse receipts directly available to small farmers; land registries; weather stations; registries for movable collateral; and the development of markets for second-hand assets, would also be very important to strengthen rural lending

EXPANDING access to finance in rural areas has been an important focus of banking sector policy for a number of decades and while there is no doubt that there has been progress, the overall situation that obtains currently is very grim from a cost, risk, and effectiveness perspective. While India as a whole has a low credit to GDP ratio of about 70 per cent for agriculture, at less than 36 per cent, it is even lower, indicating poor outreach of formal credit to the sector despite all the policy priority that has been given to it. This has resulted in the continued prevalence of informal indebtedness among farmers - only 14 per cent of the marginal farmers (with land holdings less than 1 hectare) were taking institutional credit in 2009, with the remaining largely relying on informal sources of credit for their credit needs[1].

There are also very large regional imbalances. States such as Bihar have an overall credit to GDP ratio of less than 16 per cent despite the fact that it has one of the lowest levels of GDP in the country. During 2007-2012, 38 per cent of agricultural credit was accounted for by the Southern States despite them constituting less than 20 per cent of India's Gross Cropped Area while the Eastern and North-Eastern states accounted for only 8 per cent, despite having comparable Gross Cropped Area. Central India received only 13 per cent of agricultural credit with 27 per cent of Gross Cropped Area[2]. Even those credit flows that do take place are not consistent with cropping patterns - while month-wise credit disbursement patterns should have been in line with ground level requirements of Kharif (June, July, September) and Rabi (December, January) seasons, one-fourth of the disbursements by banks instead happen in March, a month that is not critical to agriculture production[3]. The problems of low effectiveness in rural lending are compounded by the fact that at close to 5 per cent, Non-Performing Asset ratios for rural (priority sector) assets are very high and are double those of other sectors despite all the subsidies that have been directed at this sector. The cost-to-serve for small loans for national full-service banks exceeds 30 per cent while they are required to lend money to this sector at spreads ranging from 3 per cent below their base rate to 2 per cent above them.

Rural credit delivery in India has been led by national full-service banks. Over the years, it has gradually

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become clear that the branch structure of the national full-service banks, in its present form is not well suited to processing small loans and priority sector loans from a cost, risk, as well as effectiveness perspective. Costs of operations (not including interest costs) tend to be as high as 30 per cent and non-performing assets are 10 per cent or more for the small loan segments. However, on account of low-transparency of bank balance sheets, the fact that these costs and risks are so high, is not immediately apparent and policy continues to require banks to not only meet high Priority Sector

Over the years, it has gradually become clear that the branch structure of the national full-service banks, in its present form is not well suited to processing small loans and priority sector loans from a cost, risk, as well as effectiveness perspective. Costs of operations (not including interest costs) tend to be as high as 30 per cent and non-performing assets are 10 per cent or more for the small loan segments. However, on account of low-transparency of bank balance sheets, the fact that these costs and risks are so high is not immediately apparent and policy continues to require banks to not only meet high Priority Sector Lending (PSL) targets, but to do so directly on their balance sheets using traditional outreach strategies.

Lending (PSL) targets, but to do so directly on their balance sheets using traditional outreach strategies. Global and Indian best-practice suggests that the only way for national full-service banks to effectively run such operations is through the creation of specialised verticals within the bank or dedicated subsidiaries that are focussed exclusively on these tasks and operate with a decision-making structure that transfers credit decision making to staff that directly interact with the borrowers and do not centralise it. Or, alternately, they need to partner with much more effective independent institutions such as Regional Banks and RBI-regulated Non-Bank Finance Companies (NBFCs) in order to meet their lending goals without putting their own balance sheets and profitability at risk. There are good examples of such structures within India as well as globally. To ensure that large quantities of low quality and high cost assets do not build up on the balance sheets of nationally important banks and that, they have a constant incentive to manage risks and costs actively, there is a great deal of focus on increased transparency of balance sheets through much more detailed segment level reporting and the public disclosure of stress test results at least on an annual basis.

Regional Banks in India, particularly those within the cooperative structure, have a number of advantages on all the three fronts of costs, risks, and effectiveness of outreach, but have historically suffered from both governance problems as well as an inability to successfully manage regional level systematic risks such as rainfall shocks and the transformations in the nature of the regional economy. The Indian cooperative structure has, over the years, experienced a great deal of failure on account of both these issues. Due to concerted efforts of the Government, the National Bank for Agriculture and Rural Development (NABARD), and the RBI, these issues are in the process of being addressed at least for those cooperative institutions that have survived, but the structural issues mentioned earlier are far more complex and will need the development of new capabilities within the Regional Banks and NABARD as well as the development of new risk management products such as catastrophic insurance and securitisation[4]. There are already a large number of regional / local banks that are currently in operation and it would be best to focus on continuing to strengthen them instead of attempting to create a large number of new Regional Banks which are bound to experience very similar problems until durable solutions to their risk management problem are developed.

Like the Regional Banks, specialised RBI-regulated NBFCs too have a number of advantages on the cost, risk and effectiveness fronts. The strength of this design is that, for the most part,

...unlike in the case of Regional Banks, at all times there are highly qualified and specialised lenders that are constantly overseeing their functioning and cutting them off from access to fresh lines of credit in case of poor performance. However, poorly developed debt-capital markets combined with a strong regulatory preference for direct origination of priority sector assets by banks and concerns with applicability of state moneylending laws, have historically served to keep the size of this sector small.

they are not able to take public deposits and have to necessarily borrow from wholesale sources such as capital markets and banks. This ensures that, unlike in the case of Regional Banks, at all times, there are highly qualified and specialised lenders that are constantly overseeing their functioning and cutting them off from access to fresh lines of credit in case of poor performance. However, poorly developed debt-capital markets combined with a strong regulatory preference for direct origination of priority sector assets by banks, and concerns with applicability of state moneylending laws, have historically served to keep the size of this sector small. Incorporating these institutions within the framework of banks as specialised Wholesale Banks, which do not have the ability to take retail deposits, would have the

effect of removing several of these impediments to their orderly growth, without necessarily altering their core character and also simultaneously enhancing systemic stability.

While the rigid and mechanical manner in which credit delivery channels are currently required to operate, is the principal impediment in the orderly growth of rural credit, there are a few other critical areas in which changes could have a strong beneficial impact on the quality, quantity, and pricing of rural credit and on the performance of the various credit channels.

As mentioned earlier, one of the core problems of the Indian banking sector is its small size relative to the

...banks, particularly government owned banks, are required to price their farm loans at very low prescribed rates of interest and the Government offers additional interest rate subsidies. This results in a massive distortion of the farm credit system resulting in a denial of credit to small farmers and land-less labourers; a desire on the part of banks to only offer minimal amounts of credit to this sector despite a large unmet demand and very low levels of innovation. It would be far better if the banks were free to price their farm loans based on their risk models and any Government benefits such as interest subventions and debt waivers were transferred directly to the farmers without channelling it through the credit system.

needs of a developing economy like India. The impact of this small size on the amount of lending that can take place is exacerbated by the fact that a large proportion of the modest resources mobilised by the banks are being pre-empted by the Government

by requiring banks to invest in government bonds and providing food credit. The capital markets of India have acquired sufficient depth for both of these needs to be met exclusively by non-bank sources and a large amount of resources for rural and other forms of lending can be freed up from bank balance sheets if these pre-emptions were taken away. Additionally, banks, particularly government owned banks, are required to price their farm loans at very low prescribed rates of interest and the Government offers additional interest rate subsidies. This results in a massive distortion of the farm credit system resulting in a denial of credit to small farmers and land-less labourers; a desire on the part of banks to only offer minimal amounts of credit to this sector despite a large unmet demand and very low levels of innovation. It would be far better if the banks were free to price their farm loans based on their risk models and any Government benefits such as interest subventions and debt waivers were transferred directly to the farmers without channelling it through the credit system. In order to address issues relating to Moral Hazard and to allow high performing rural borrowers to signal their credit worthiness and obtain both lower cost and higher quantum of credit, there is a need to mandate universal reporting to credit bureaus of all loans by all originating entities, including for SHG loans, and Kisan Credit Card and General Credit Card facilities, just as has been done successfully for RBI-regulated Micro Finance Institutions.

The uniform manner in which priority sector lending mandates are required to be met is another area of concern since it discourages banks from building core competencies in specific sectors or regions. An Adjusted Priority Sector Lending (APSL) mechanism in which, additional weightage is given to lending to the more difficult sectors and districts, by allowing a specific bank to focus only on one or more sectors or regions of its choosing, could help redress this problem while

ensuring that the banking system as a whole delivers on the overall priority sector lending goals. In such a scheme the district level multipliers could be based on the CRISIL Inclusix, which is a neutrally determined district level financial inclusion index, and the sectoral weights could be based on the level of underachievement of a particular sector for the system as a whole. Against an unweighted PSL target of 40 per cent, banks would then be required to meet an equivalent weighted APSL target of 50 per cent. To address the problem of timing mismatches between the requirements

...it will become important to revisit the very definition of priority sector and to use metrics such as regional and sector credit to GDP ratios and the growth elasticity of credit to determine the weights that will be used to determine APSL targets. However, for this to happen, among other things, there will be a need for the Planning Commission to start to publish official GDP series for each district in the country and for key sectors within each district and for the RBI to make available comparable credit data so that these analyses can be accurately carried out.

of credit and its supply, the PSL credit target of 40 per cent (or the APSL target of 50 per cent) should be required to be met at every quarterly balance sheet reporting date and not just at the end of March. There is also a case to examine and eliminate PSL policy bias against consumption smoothing in general and for landless labourers in particular.

In the longer run, as the relative importance of various sectors for poverty alleviation and enhancement of growth changes, it will become important to revisit the very definition of priority sector and to use metrics such as regional and sector credit to

GDP ratios and the growth elasticity of credit to determine the weights that will be used to determine APSL targets. However, for this to happen, among other things, there will be a need for the Planning Commission to start to publish official GDP series for each district in the country and for key sectors within each district and for the RBI to make available comparable credit data so that these analyses can be accurately carried out.

For a number of reasons related both to the achievement of PSL targets as well as active management of bank balance sheets, it is essential to develop robust markets for the active transfer of assets, liabilities and risks between financial markets participants. Such markets will facilitate the sale and purchase, of PSL (and other) assets between all types of entities, in a manner that is based purely on quality and is agnostic to institutional differences. Currently, the absence of such markets has resulted in banks paying high penalties for non-achievement of PSL targets; in banks struggling to originate PSL assets directly even though they are aware that from a cost and risk perspective they are not the most efficient originator; and in banks holding high sectoral or regional concentrations all the way to maturity despite the risks that such concentrations pose to their stability. The existence of such risk-

transfer markets will facilitate the development of multiple specialist originators (banks and non-banks) and partnerships between these specialists to enable the development of a credit infrastructure that reaches out to every last rural household and enterprise in an effective, low cost and low risk manner. In order to achieve this, it would be very important to restore the tax-exempt status for securitisation of vehicles, given their critical role in efficient risk transmission; removal of the requirement that the all-inclusive interest charged to ultimate-borrower by originating entity must not exceed Base Rate of the purchasing bank plus 8 per cent per annum; and allowing banks to treat assets as held-to-maturity based on declared intent irrespective of the documentation of such assets as loans or bonds or their acquisition in primary or secondary markets. In order to facilitate this, specialised Institutions such as NABARD, the National Housing Bank (NHB), and the Small Industries Development Bank of India (SIDBI) will also need to move towards becoming much more market oriented in their support to their constituents. For example, NABARD can help to improve the financial health of better performing cooperative banks by providing fairly priced second-loss deficiency guarantees instead of balance sheet based refinance.

The development of critical complementary infrastructure for customer data (such as credit bureaus and alternate-data repositories); warehousing, particularly of the type which facilitates making electronic warehouse receipts directly available to small farmers, land registries, weather stations, registries for movable collateral, and the development of markets for second-hand assets, would also be very important to strengthen rural lending.

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2   Thorat, Y.S.P. "Report of the Working Group on Outreach of Institutional Finance, Cooperatives, and Risk Management." Submitted to the Planning Commission, Government of India, 2011.

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Pension Sanction and Payment Tracking System Launched on Pilot Basis

The Department of Pension & Pensioners' Welfare has launched a web based Pension Sanction and Payment Tracking System " BHAVISHYA" which provides for on-line tracking of sanction and payment processes by the individual as well as the administrative authorities. The new proposed system will capture information relating to the pensioner's personal and service data including contact details like mobile number and e-mail etc. It will also have electronic forms required to be submitted to pension sanctioning authority. The system will keep retiring employees informed of the progress of pension sanction process through SMS/E-mail in future. The application will help in monitoring the delays which take place in sanction of pension and retirement benefits to a retiring Government Servant.

The software has been launched on a pilot basis in fifteen Ministries/Departments of the Government viz. Ministries of Statistics & Programme Implementation, Steel, Urban Development and Textiles, Home, Health, Family Welfare, Commerce; Departments of Electronics & Information Technology, Ayush, Industrial Policy & Promotion, Personnel & Training, Administrative Reforms & Public Grievances, Pension & Pensioners Welfare and Planning Commission.

Development Roadmap

Scientific R&D Projects

In a bid to boost scientific research and development, the Prime Minister announced an outlay of Rs 9,000 crores for various projects including a National Mission on High Performance Computing and a Neutrino-based Observatory in Tamil Nadu. The National Mission on High Performance Computing would have an outlay of Rs 4,500 crore while the National Geographical Information Systems would have an outlay of Rs 3,000 crore. The Neutrino-based observatory, proposed to be set up in West Bodi Hills of Tamil Nadu at a cost of Rs 1,450 crore, is to study atmospheric neutrinos.

Interest Subvention on Loans by Women SHGs

The government has announced a Rs 1,400 crore interest subvention on loans taken by Self Help Groups run by rural women. The scheme is applicable for loans availed by women SHGs from April 1, 2013. Interest subvention for such loans is a significant initiative under the Aajeevika scheme - National Rural Livelihoods Mission (NRLM). According to the new initiative, all banks will lend to women SHGs at 7 per cent interest for loans upto Rs 3 lakhs in 150 most backward districts, most of which are affected by Naxal menace. The SHGs will get a further 3 per cent subvention on prompt repayment – thus ensuring that the effective charge on all such loans will be only 4 per cent. In addition, all women SHGs with outstanding loans (for loans upto Rs 3 lakhs from April 1st 2013 onwards) will pay interest only at 7 per cent. The differential amount for the period 1st April 2013 to January 2013 would be reimbursed. In the remaining districts, women SHGs which have been NRLM compliant and regular in repayment, will enjoy interest subvention on reimbursement basis, making the interest for loan of Rs 3 lakh only 7 per cent effective from 1st April 2013.

The total budgetary allocation for NRLM in 2013-14 was Rs 2,600 crore out of which Rs 650 crores is being spent on interest subvention in 150 districts, while Rs 750 crores is being spent on interest subvention in the non-150 districts.

Second Project under Nirbhaya Fund

The second project under the Rs 1,000 crore Nirbhaya Fund for establishing an integrated computer platform to respond to calls from women in distress has been cleared. An Integrated Computer Aided Dispatch platform is proposed to be established in 114 cities at a cost of Rs 321.69 crores. A 24x7 Emergency Response unit will be able to track any distress call using a Geographical Positioning System or Geographical Information System. The 24 x 7 helpline would respond to all kinds of emergencies including medical and disaster services, children's emergencies, helpless women and children who face violence, eve-teasing, dowry demands, sexual assault, molestation or any other abuse at home or in public. The city-wise high tech control rooms will include 71 cities with population of more than a million or headquarters of states as also headquarters of 41 crime prone districts. The 71 cities would cover a population of over 231. 23 million and 41 districts would cover a population of 160.27 million , i.e. a coverage of 32.6 percent of the country.

National AIDS Control Programme Phase IV Launched

The IVth phase of the National Aids Control programme (2012-2017)was launched with a budget outlay of Rs 14,295 crore out of which government support would be Rs 11,394 crores forming 63 per cent of the total share. The programme aims to accelerate the process of epidemic reversal and strengthen the epidemic reponse in the country through a well defined integration process over the five year period. The eligibility for receiving anti-retorviral therapy (ART) has been increased so that HIV positive persons are initiated on treatment at an early stage. This will not only enhance longevity but also help to prevent new infections. A third ART for all those who fail on second line ART has also been initiated under the programme. Other significant initiatives are a multi-drug regimen for prevention of parent to child transmission; strengthening migrant interventions at source, transit and destinations; scaling up of interventions among transgenders through community participation; focused strategies to address vulnerabilities; scaling up of Opioid substitution therapy for injecting drug users, etc.

Three New Services Launched by India Post

India Post has launched three new services as value additions to ePost: (a) eIPO Facility to pay RTI fee online (b) Locality based PIN Code Search Directory (c) 'Many-to-One" and "One –to-Many" ePost service that ensures last mile home/email delivery. Indian Citizens living in India or abroad can now pay RTI fee online in the form of eIPO. Also, the Online Locality-based Pincode Search Directory will facilitiate searching of locality pincode.

Administering in an Age of Global Regulation

Biju Paul Abraham

The rapid growth of technology, the globalization of production and service delivery, and the lowering of barriers to domestic investment will force governments to harmonize domestic regulations to global standards at a faster pace than before. However, national governments have the responsibility to ensure that their administrative structures are better prepared to cope with the domestic impact of such harmonization. This would ensure that the positive effects of such harmonization outweigh its negatives, and that the harmonization is welfare enhancing

THE GLOBAL financial crisis and its aftermath have brought home to governments worldwide, the realization that they are affected by changes in the global financial, product and services markets to a significantly greater extent than ever before. Governments worldwide have also tried to coordinate their responses to the crisis, through discussions at intergovernmental forums such as the G-20. While the effectiveness of such coordinated intervention is patchy at best, there is one implication of this concerted effort that has an implication for administrative structures in developing countries - the spread of global regulations and standards into domestic regulation.

The process of globalization gathered pace primarily because of two factors – reduced trade and investment barriers worldwide, particularly in developing countries and the rapid growth of technology which made global delivery of services possible. As governments world-wide tried to increase their international trade and attract greater investment into their domestic markets, they reduced barriers to trade and investment significantly. While this has ensured greater mobility of capital for investment, it has also, quite naturally,

increased the power of investors vis-à-vis governments. Governments became reluctant to retain high barriers to trade and investment for fear that investors will turn away and seek more 'investment friendly' locations elsewhere. They have also seen harmonization of domestic regulation with global regulation as a way of attracting foreign investment into their economies. Governments have sometimes competed with each other to reduce regulation, or harmonize them with other states, leading to a situation where some regulations that are essential in a national context, to protect domestic producer or consumer interests, have been either removed or significantly amended.

Globalization has had other negative effects as well. The impact of pollution and environmental degradation are felt outside national borders, both in the region and sometimes beyond. The rapid spread of newer diseases is facilitated by increased global travel. Such global problems require global solutions and such solutions often imply greater harmonization of policies at a global level.

Harmonization and its Impact

While global regulation is nothing new, the extent of its coverage has

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significantly broadened in recent years. In areas as diverse as trade, investment, banking, environment, health and intellectual property rights, governments have accepted global standards that are then applied domestically. Though harmonization has its benefits, it also has its costs. Global standards often constrain domestic firms in their ability to access markets abroad, increase competition in domestic markets and sometimes deprive domestic consumers of access to essential products by increasing costs. The globalization of regulation thus, imposes additional responsibilities on administrative systems worldwide. For administrators in developing countries, the challenge is two-fold – not only do they need to understand the implications of global regulation

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in a national context, they also need to develop national administrative mechanisms to cope with some of the welfare-reducing implications of such globalized regulation. The global financial crisis has led to a realization worldwide that, even in a globalized world, domestic policy responses are critical to deal with the aftermath of the failures of globalization.

Harmonization of regulation has been deepening ever since the end of the Cold War. The collapse of the eastern bloc and the subsequent opening up of economies that were until then protected behind high protectionist walls, led to a significant increase in global trade and investment. It also significantly increased the role of multi-lateral organizations which were mandated with task of developing global trade, environmental and

financial regulation. The creation of the World Trade Organization in 1995 was a significant milestone in this regard. The erstwhile GATT agreement that had, until then covered only barriers to trade in manufactured goods, expanded into a global multilateral trade organization that covered trade in services and domestic rules in trade-related areas such as intellectual property rights and investment. The General Agreement on Trade in Services sought to open up services markets worldwide. The Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) mandated minimum standards of intellectual property rights protection in developing countries. The Trade Related Investment Measures Agreement (TRIMS) required WTO member-states to liberalize their investment regulations and make it easier for foreign firms to invest domestically.

In addition to trade liberalization, there was a greater emphasis on harmonizing labour and environmental policies as well. Though successfully resisted by developing countries, there was a move to introduce minimum environmental standards and labour standards into international trade regulation. In the area of environment, the Kyoto Protocol was a concerted global effort to reduce emissions by adopting targets for reduction of emissions. Though it was not mandatory on them, many developing countries such as India, have set targets of their own with regard to greenhouse gas emissions in line with global efforts. International financial organizations such as the Bank for International Settlements also began to develop rules for capital adequacy and reserve requirements for banks in member states.

While the increasing harmonization of policy has undoubtedly increased global trade and investment, and ensured that there are coordinated efforts to address global concerns such as the environment, there are deep concerns about both, the process of deciding

on the parameters of harmonization and also the impact of harmonization. The negotiation of global agreements follow a process quite different from that followed when national legislation is formulated. Negotiated by government representatives within international organizations, such agreements very often do not go through the process of debate and scrutiny that domestic legislation passes thorough. In many countries, including India, international agreements negotiated and signed by the government do not have to be approved by national legislatures before coming into effect. This creates concern about the legitimacy of such agreements.

Some international agreements do have a welfare-reducing impact domestically that governments around the world find difficult to deal with. The Trade Related Aspects of Intellectual Property

In many countries, including India, international agreements negotiated and signed by the government do not have to be approved by national legislatures before coming into effect. This creates concern about the legitimacy of such agreements.

Rights Agreement, for example, has made it much more difficult for firms in developing countries to produce generic version of patented drugs. While the agreement does have provisions that allow countries which are faced with national health emergencies to override patenting regulations, to ensure access to drugs, they often have to negotiate a maze of international regulations to ensure that such actions will not lead to retaliatory sanctions by other countries. As more and more countries around the world enter into regional trade agreements, they are often forced to give concessions in the area of environmental standards and labour standards that hurt the interests of domestic industry and workers.

Reforming Administrative Capabilities

The impact of harmonization of global regulation raises the inevitable question of how administrative capabilities in developing countries could be improved to deal with emerging challenges. There are three aspects of administration that could be addressed to ensure that administrative mechanisms are better able to deal with future

The rapid growth of technology often outpaces the ability of governments to understand the implications of new technologies that are emerging and take countermeasures to ensure that these are regulated in the public interest.

challenges – capacity building, better knowledge management and improved responsiveness to local concerns.

The rapid growth of technology often outpaces the ability of governments to understand the implications of new technologies that are emerging and take counter-measures to ensure that these are regulated in the public interest. Rapid growth in the bio-sciences creates opportunities for revolutionary cures for diseases, but also raises major ethical concerns. Advances in communication technologies dramatically improves access to information, but also raises concerns about privacy. Developments in energy technology, such as the recent advances in hydraulic fracturing and drilling for shale gas, raise the prospect of alternatives to oil as a primary source of energy for transportation, but gives rise to concerns about its environmental impact. These developments in diverse areas of technology require governments to develop appropriate regulatory responses. These policy responses often have to be coordinated not just at a national level, but even

globally. However, regulation, if it is to be effective, has to keep pace with technology development and it is here that administrative systems need to develop better capabilities. Capacity enhancements for technology planning and forecasting are critical for proactive regulation. An adequate understanding of technology developments and their implications is also critical for those in government who participate in international negotiations where global regulations are framed.

While organizations for forecasting and assessing technology developments do exist, what is missing is sufficient integration with the various departments of governments that deal with technology regulation. Regulation often follows technology with a lag. Greater integration of forecasting and regulation would ensure that regulation keeps pace with technology developments, leading to a more stable regulatory environment for both investors and consumers. This integration does not require major administrative reform or fundamental changes to existing regulatory structures. Better integration could be achieved by joint working groups involving civil servants and technical organizations that attempt to forecast technology developments in specific sectors and also the regulatory implications of these developments. It might involve scientists working in various departments for a specific period of time to help officials formulate more effective regulation. It could also involve officials from various government departments working in technical institutions, either within the country or abroad, to familiarize themselves with technology developments that have an implication for regulation.

Knowledge management is another area that needs greater emphasis. In the past, when the pace of technology development was relatively slower, administrators could seek the help of subject experts to understand the implication of such technology developments. They could then put in place appropriate policy responses, to ensure that the negative effects of

changes are minimized. However, at a time of rapid technological change the timeliness of response to changes in the technology environment is critical. Administrators have to respond fast if the response is to be effective. Rapid response, if it is to be effective, requires adequate information. Knowledge management systems could be an effective way of delivering necessary information into the hands of administrators. Knowledge management systems allow organizations to capture knowledge that exists within the organization, at different levels, on a specific issue and how best to deal with problems that arise in them. Large administrative systems are vast storehouses of tacit knowledge on how problems are to be addressed and resolved. Very often, this knowledge remains with an individual administrator, or at best one government department, without the information percolating to other levels of government that would find this information useful. Large corporations and even some governments abroad have developed effective knowledge management

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tools that ensure that organizational knowledge is captured and accessible to those who might find it useful. Administrators could be encouraged to share their knowledge and experience of dealing with specific issues in a codified framework which would then be available for others in the system to access. Knowledge management systems could also provide access to information, or to subject experts who could guide administrators in tackling problems that they face.

While regulation is becoming more standardized and global, the impact of such regulation is often felt locally. The same regulatory framework can have a differential

impact on different stakeholders. Hydraulic fracking for shale gas, for example, might raise concerns about its impact on groundwater levels in one region, while in another region the concern might be about ground subsidence. Lowering of trade barriers might affect small and medium scale industry in one region, while it might benefit service-sector firms in others. Tougher environmental standards might be effective for regions which are heavily industrialized and polluted, but might deter needed industrial investment in an area that is not very polluted since it is not industrialized. The differential impact of regulation means that the same policy framework may not be effective in all situations. Regulations need to be more flexible and administrators need to be given greater freedom to adapt regulations to suit local needs and concerns. A national policy framework might not suit all states and regions and policies need to reflect this realization and allow for greater flexibility in implementation.

The increasing pace of globalization has posed major challenges for national governments ever since the process began to gather pace in the early nineties. The process will pose even greater challenges in future. The rapid growth of technology, the globalization of production and service delivery and the lowering of barriers to domestic investment will force governments to harmonize domestic regulations to global standards at a faster pace than before. However, national governments have the responsibility to ensure that their administrative structures are better prepared to cope with the domestic impact of such harmonization. This would ensure that the positive effects of such harmonization outweigh its negatives, and that the harmonization is welfare enhancing. ❑

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DO YOU KNOW?

LIBOR

LIBOR – London Interbank Offered Rate – is an interest rate at which banks can borrow funds from other banks in the London interbank market. One of the world's most widely used benchmarks for short-term interest rates, LIBOR rates were first used in financial markets in 1986. From then on Libor has been growing in stature and today it is the key reference rate for financial products worth about $ 350 trillion. Small changes in the Libor can cause ripples in the money market.

LIBOR is fixed on a daily basis by the British Bankers' Association and is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates. Countries that rely on the LIBOR for a reference rate include the United States, Canada, Switzerland and the United Kingdom.

In 2012, regulators from around the world were probing alleged manipulation of LIBOR by US and European banks. In 2013, a worldwide investigation discovered widespread manipulation of this benchmark interbank lending rates by traders and brokers.

Geographical Indication

A Geographical Indication (GI) is a sign used on certain goods that have a specific geographical origin and which possesses certain qualities, merits, and features that are essentially attributed to their place of origin. Most commonly, a geographical indication includes the name of the place of origin of the goods.

GI is an aspect of industrial property which refer to the country or place of origin of a product indicating an assurance of quality and distinctiveness which is essentially attributable to the fact of its origin in that defined geographical locality, region or country. Under Articles 1 (2) and 10 of the Paris Convention for the Protection of Industrial Property, Geographical Indications are covered as an element of Intellectual Property Rights (IPRs). GI is also covered under Articles 22 to 24 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which was part of the Agreements concluding the Uruguay Round of GATT negotiations. As a member of the World Trade Organization (WTO), India enacted the Geographical Indications of Goods (Registration & Protection) Act, 1999 and it has come into force with effect from 15th September 2003.

The GI tag ensures that no one other than the registered users (or at least those residing inside the geographic territory) are allowed to use the popular product name. Darjeeling Tea became the first GI tagged product in India in 2004-05. Since then 194 items have been added to the list. Some of them include Aranmula Kannadi (Mirror), Chanderi Fabric, Kancheepuram Silk, Kashmir Paper Machie, Kashmir Pashmina among others. ❑

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Emerging Paradigms of Administrative Reforms

R B Jain

The concept of NPM promotes government transparency, idea of consumer orientation, signifies innovating forms like contracting out, outsourcing of public service, which places a new focus of public ethics on the part of both the civil servants and the new functionaries employed by private and outsourcing agencies for delivery of public services on behalf of the state

I N THE early 1990s, a new managerial approach to public administration, known as the New Public Management (NPM), began to take hold in the United States and other industrialized countries. The globalization of public administration spread the concept of NPM and its attendant reforms in the developing countries as well. The NPM Paradigm, on the whole, provides for a caring government that is transparent, focused on the people and characterized by commitment, accountability, responsiveness and inclusiveness.

NPM Concept in India

During the late 1990s, under the impact of these developments, the Government of India felt the need to restructure and reorient the administrative system and to adopt a normative model of Good Management Approach towards public administration. This was to include: (a) A more strategic result-oriented (efficiency, effectiveness, and service quality) orientation to decision-making (b) Making improvements in the working atmosphere of the government institutions and offices to reflect a new work culture and a changed administrative behaviour incorporating the principles of transparency, responsiveness, accountability, participative, and citizen-friendly management, and (c) the bureaucracy was to be revamped in terms of changed orientation, behaviour and attitude. Instead of being the defender of the status quo, there has to be a realization that with the advent of globalization, liberalization and privatization, it has to play a major role of a catalyst for change. Apart from the changes in the traditional values and norms of work culture, it has to demonstrate its willingness to accept new technical innovations and values of achievement and competition, equity and egalitarianism and concern for broader collective social goals.

Governance and Administrative Development

As was so emphatically suggested by the author elsewhere (Jain, 2001) that it is wrong to always blame the structural aspects of governmental system for its failures. Given the normal wear and tear in the edifice of the governmental and administrative system over a period of over sixty five years, India's system as a whole has not only survived, but also admirably borne the brunt of times, in comparison to the scores of examples of other countries in the developing world

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where such structures have crumbled completely.

However, along with its survival, a number of serious distortions have crept in the system during all these years, giving validity to the dictum of Woodrow Wilson that it is easier 'to make a constitution than to run it." The foremost and fundamental reason for all these aberrations has firstly, been the existence of a dual system of values on the part of political and administrative elites in India, who have the basic responsibility of implementing the system.

Secondly, there has been a growing sense of zealousness amongst the people from all walks of life

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Thirdly, at the same time, the total lack of a notion of accountability and unresponsiveness on the part of both legislators and administrators has eroded the very essence of a responsible government. There are

political rhetoric and polemics, but no substantial accomplishment in respect of the citizens' needs and aspirations. There are innumerable grandiose policies, plans, programmes and projects, which we are very apt to formulate, but have no plans or will to implement these four Ps. The result is either stagnation or a very slow growth in the realm of progress and development. On top of it, the bureaucracy in India is cold, slow and somewhat inhuman in dealing with the complaints of the citizens. Worst, it carries an image of being the most corrupt amongst the world's bureaucracies.

Fourthly, in India, poor are still poor and have even increased in absolute numbers. Economic gains have been wiped out by population growth. Though, India has an economically powerful middle class, a vibrant software industry, and nuclear capability, but a huge number of India's citizens continue to eke out a living under conditions of extreme poverty and deprivation. The government's capacity to perform is still weak, resources available for public investment and development are still scarce, local jurisdictions are particularly starved. The critical basic needs in education, health, welfare, infrastructure and the very essential need of clean drinking water for the masses still go unmet. Many of the poor are in fact, worse-off now than they were a decade or so ago. No wonder that India ranks very low in the Human Development Report prepared each year by the UNDP.

Strategies for Good Governance

In the context of these developments in India, the fundamental question that arises is how to devise strategies that would be conducive for India, to strive towards sustainable development. Besides the institutional and structural innovations that make for a system of good governance, a corruption free sustainable development requires a "moral determination" (Dwivedi, 1987, 607-9 and 2001). Recognition

of that moral determination in governance marks the direction in which those who govern, must channel their efforts towards the common good if they are to justly serve the society. That direction calls for individual "moral responsibility and accountability, sacrifice, compassion, justice and an honest effort to achieve the common good." Ultimately, it is the moral determination which provides the foundation for governance towards a corruption-free sustainable development.

Normative Model of Good Governance

Thus, the need of the hour at present seems to be to adapt a normative model of good management approach incorporating both the politico-administrative as well as the moral dimensions of good governance. This should include: (a) A more strategic or result-oriented (efficiency, effectiveness and service quality) orientation to decision-making; (b) Replacement of highly centralized organizational structures with decentralized management environment integrating with the

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new Rural, Urban and Municipal Institutions, where decisions on resource allocation and service delivery are taken close to the point of delivery; (c) Flexibility to explore alternatives to direct public provision which might provide more cost effective policy outcomes; (d)

Focusing attention on the matching of authority and responsibility as a key to improving performance, including mechanism of explicit performance contracting; (e) Creating competitive environments within and between public service organizations; (f) Strengthening of strategic capacities at the Centre to steer the government to respond to external changes and diverse interests quickly, flexibly and at least costs; (g) Greater accountability and transparency through requirements to report on results and their full costs; (h) Service-wise budgeting and management systems to support and encourage these changes; (i) Adapting of innovations and evolving suitable mechanism to eliminate corruption at both political and administrative

> **...how is it possible to ensure that private governance activities are kept responsive to wider societal interests? (Knill and Lehmkuhl, 2002,57-58). The question of accountability, therefore, becomes a key factor and an issue of good government. Nowadays, a new model is also being discussed, called the Public-Private Community Partnership, (PPCP) model, wherein both the government and private players work together for social welfare, eliminating the prime focus of private players on profit.**

levels and strengthening citizens' grievance redressal system; (j) Improving the system of delivery at the cutting edge of administration by replacing the existing archaic bureaucratic procedures by absorbing some appropriate precepts inherent in the philosophy of New Public Management; and (k) Making improvements in the working atmosphere of the government institutions and offices to reflect a new work culture and a changed administrative behaviour

incorporating the principles of transparency, responsiveness, accountability, participative and citizen-friendly management.

Public-Private Sector Synergy

There is no doubt that the process of globalization and the simultaneous rapid economic and technological changes have greatly affected the pattern of governance in modern times. Scholars have argued that the actual pattern of governance in internationalized environments can be related to the respective governance capacity of public and private actors, which hinges, in turn on the strategic constellation underlying the provision of public good. Thus, a crucial question becomes important: how is it possible to ensure that private governance activities are kept responsive to wider societal interests? (Knill and Lehmkuhl, 2002,57-58). The question of accountability, therefore, becomes a key factor and an issue of good government. Nowadays, a new model is also being discussed, called the Public-Private Community Partnership, (PPCP) model, wherein, both the government and private players work together for social welfare, eliminating the prime focus of private players on profit. This model is being applied more in developing nations as in India. Success is being achieved through this model too. It mainly helps to ramp up the development process as the focus is shifted towards target achievement rather than profit achievement. These not-for-profit organizations bridge public and private sector interests, with a view towards resolving the specific incentive and financial barriers to increased industry involvement in the development of safe and effective pharmaceutical and other types of products.

Accountability

If the concept of accountability refers to the degree to which public servants and others in non-governmental sectors providing public

programmes are responsive to those they serve, then there is a need for multi-dimensional methods to measure how different institutional arrangements advantage different forms of responsiveness. The traditional measures of accountability that rely upon line or top-down measures do not necessarily provide a good guide to the accountability culture as a whole. As service delivery systems move to more complex forms of agency, accountability at other levels must be expected to undergo a dynamic process of evolution, adaptation, and in some cases, crisis. Institutional development must fit each case. Vertical strength can be improved with stronger roles for parliamentary committees, ombudsmen, and so on. Tools for greater horizontal

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accountability will need to be different for competitive systems and for those using more collaborative methods. In both the cases, a focus upon the role of reflexive feedback or improvisation offers a means to reopen the organizational process box without the perils of re-regulation. This new domain of accountability will take sometime to develop its own regime of measures, standards and rules. Perhaps, the most important step needed is the recognition that multi-dimensionality of accountability

means both multiple measure and new mandates. (Considine, 2002, 21-40).

Adoption of IT and E-Governance

The revolution in information technology has brought into focus its adoption for good governance. There is a talk of e-governance all over the world. E-governance implies a smoother interface between government and citizen. While, it cannot entirely replace manual governance, even its limited applications are good enough to affect day-to-day living. It can fulfil, roughly speaking, the four purposes for which citizens generally interact with the government: (i) paying bills, taxes, user fees and so on, (ii) registration formalities, whether of a child's birth or a house purchase or a driving license. (In the Sate of Tamil Nadu, for instance, one can

E-governance can reduce distances to nothing, linking remote villages to government offices in the cities, can reduce staff, cut costs, check leaks in the governing system, and can make the citizen-government interaction smooth, without queues and the tyranny of clerks. But it must be remembered that e-governance is only a tool for good governance. It can't succeed independent or responsive officers, and it has to be owned by the political leadership. Otherwise, it will only be a bureaucrat's game.

download 72 application forms), (iii) seeking information, and (iv) lodging complaints. E-governance can reduce distances to nothing, linking remote villages to government offices in the cities, can reduce staff, cut costs, check leaks in the governing system, and can make the citizen-government interaction smooth, without queues and the tyranny of clerks. But it must be remembered that e-governance is only a tool for good governance. It

cannot succeed independent or responsive officers and it has to be owned by the political leadership. Otherwise, it will only be a bureaucrat's game. How to rebuild the system of governance on these new premises without the majority of population even being literate is a real challenge for all concerned with new innovations in the performance of the government in India.

Citizen-oriented Paradigm

The corporate millennium has brought into focus, a new concept of governance based on the interests of the shareholders, i.e. the citizens, which has signaled the role of transparency, accountability and merit-based management and a sense of morality and ethics that rests on the principle of "concern for others." An ethical organization, more so, a government, not only stands for people with a set of values, but a positive attitude which generates a culture within the organization in which every member feels a sense of loyalty and belonging and the leaders are responsible for initiating dialogues across a wide range of levels and functions so as to operationalize values in practical policies. Modernization of government and public administration involves a redefinition of government responsibilities. The state system of the 21st century, will have to see a redistribution of duties and responsibilities between government, business and society. This would require introduction of modern management techniques with quality control, budgeting and cost-benefit analysis. In future, public authorities are meant to be result-oriented in providing public services. Modern management and e-government are two central means of achieving fundamental changes in public administration. The goal is an administration that does more and costs less. E-government projects are not only modernizing public agencies and authorities, but also making administrative procedures more transparent for ordinary citizens, which in turn, also makes new demands on personnel to be more accountable.

Combating Corruption

From the foregoing discussion, it is more than evident that the concept of quality governance is premised on a corruption-free administrative system. Combating corruption for sustainable development calls for: (a) reducing opportunities and incentives for corrupt behaviour and increasing the sense of accountability on the part of public officials, and (b) effective implementation of anti-corruption measures, which would imply that measures should be logically consistent with regard to the phasing of a time table for speedy investigation and conviction; a strong political commitment to implement the strategies and enforcing anti-corruption measures; and people's active participation from below in the enforcement of administrative, legal and judicial measures,· thus mobilizing the public against corruption in public life.

The state system of the 21st century, will have to see a redistribution of duties and responsibilities between government, business and society. This would require introduction of modern management techniques with quality control, budgeting and cost-benefit analysis. In future, public authorities are meant to be result-oriented in providing public services. Modern management and e-government are two central means of achieving fundamental changes in public administration.

Apart from the above fundamental conditions, it must be emphasized that fighting corruption requires: (a) formation of a national coordinating body that should be responsible for devising and following up on a strategy against corruption, along with a citizen's oversight board; (b) the existence of a high powered independent prosecuting body to investigate and prosecute all such known cases of corruption; (c) and the

setting up of special courts for trying such cases at a stretch so that the cases come to their legitimate conclusion without any delay; (d) thoroughly overhauling and reforming the system of electoral laws and economic regulations, minimizing the temptation to indulge in corruption practice; (e) enactment of an appropriate legislation to limit the number of Ministries and Departments both at the Centre and the states so that the temptation of expanding ministries only for political gains could be minimized; and (f) by providing specialized technical assistance to anti-corruption agencies, by organizing high-level anti-corruption workshops or strategic

> **India's policy makers are finally publicly introspecting on the shortages that create black markets in the first place, the regulatory mechanism that pushes resources underground, and the lack of policing that allows the parallel economy's unfettered growth. The White Paper has talked of enhancing accountability of auditors, protection to whistleblowers, strengthening social values, among other measures to deal with black money.**

consulting or hiring international investigations to track down ill-gotten deposits overseas.

Taxation Reforms

India has embarked on a new mission against unearthing black money, i.e. money evading taxes. It has recently produced a White Paper on Black Money, which has been introduced in the Parliament on 21 May 2012. The White Paper, along with an independent study to estimate the size of India's black economy, makes a modest beginning. India's policy makers are finally publicly introspecting on the shortages that create black markets in the first place, the regulatory mechanism that pushes

resources underground and the lack of policing that allows the parallel economy's unfettered growth. The White Paper has talked of enhancing accountability of auditors, protection to whistleblowers, strengthening social values, among other measures to deal with black money.

Curbing Inflation and High Prices

Perhaps, the greatest need of the hour is to curb the growing inflation resulting in a tremendous rise in the prices of all commodities and putting the people under financial pressure. A concerted policy rather than ad hoc measures are needed in this respect.

Conclusion

The important requisite for ensuring ethical conduct and probity in governance is absence of corruption, effective laws, rules and regulations governing every aspect of public life and more importantly, an effective and fair implementation of those laws. The NPM movement pointed out some of the ethical concerns born out of its objectives to reduce the government costs, reduce the number of public employees and change organizational values. While stressing on privatization, the NPM Movement does not alter the fact that State has the ultimate responsibility as an organizer and has to supervise and control all political and administrative processes bearing in mind the satisfaction of citizens and the execution of efficiency, effectiveness and accountability.

The concept of NPM promotes government transparency, idea of consumer orientation, signifies innovating forms like contracting out, outsourcing of public service, which places a new focus of public ethics on the part of both the civil servants and the new functionaries employed by private and outsourcing agencies for delivery of public services on behalf of the state. Hopefully, the recent adoption of a series of reform measures and devising a number of strategies to bring about transparency

and accountability in Indian administration (Jain 2006, pp 539-65) viz (a) Constitution of Citizen's Charters in Government Departments (b) Right to Information Act 2005 (c) Introduction of E Governance right up to the grass root levels and the likely implementation of the Second Administrative Reforms Commission Recommendations on Ethics in Governance (2007) in respect of Proposed Public Service Bill, Whistle Blowing Act, Lok Pal Act, urgently, to show that we care for the brave hearts battling corruption, and are prepared to take corrective action against corrupt officers, (howsoever high position they may be holding in the Government), and other steps for promoting ethics among legislators, judicial functionaries and NGOs, may well provide a model for the elusive better governance in a complex structure of parliamentary democracy, in which, the Parliament has completed more than sixty years of its glorious existence. In order to rejuvenate the parliamentary processes, India desperately needs the kind of political and economic reforms, "which must rediscover its founding ideals of liberty, equality and sacrifice." and for possible replication in other countries. On 17th May 2012, the Election Commission of India (ECI) and the International Foundation for Electoral Systems signed an MoU for promoting democratic processes and good governance around the world. The MoU had held very strongly "that India can become a unique model for emerging democracies and facilitate dialogues among election managers from around the world and serve as a vital repository of democratic values and election expertise."

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YOJANA

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May
Energy Security

A Civil Service for the 21ˢᵗ Century

Manish Sabharwal

Poverty reduction is a multidimensional project that requires the government, civil society and the private sector to work together. Yet, today, all three of us struggle with our birth defects; the government has an execution deficit, civil society has a scale deficit and the private sector has a trust deficit. But a more diverse, performance oriented and motivated civil service is crucial to a less poor India. Let the work begin

THE COMPLEXITIES and controversies in choosing people for the Indian Civil Service (ICS) started early. In 1854, the introduction of an open competitive exam was opposed by universities on the grounds that the exam required a strong factual memory and that candidates from "crammer" institutions will be more successful than those from universities. In 1886, a Public Services Commission headed by Sir Charles Aitchison not only created the Provincial Civil Services, but opened the window for Indians to enter the ICS despite being warned by a member of the Viceroy's council that "Teenage Indians were infinitely quicker at exams than Europeans and soon half the service will be Bengalis." After independence, the framework for civil services drew heavily on the British blueprint, responded to the time and attracted the best candidates because of weak alternatives. But India has changed and we now need a radical overhaul of how we recruit, promote, compensate and empower risk taking for our civil servants.

The recruitment process for all India Civil Servants at entry level does not need tweaking; it is widely accepted as fair, transparent and competently administered by the Union Public Services Commission (UPSC). But any organization that only has one entry gate and poor performance management (a fear of falling and hope of rising) tends to become incestuous, self-referential and stagnant. An overdue and high impact innovation in the recruitment process is lateral entry for senior positions. There is widespread acceptance that the top position to which civil servants should automatically reach should be joint secretary and its equivalent – after that, all candidates from the career civil services pools should be made to compete with outsiders (from other services, civil society and the private sector) on equal terms. This will not be easy but UPSC must be tasked with creating a transparent and fair process to create a pool of candidates cleared for senior civil positions. This could also be complemented gradually by a modified form of the "up or out" policy of the army, where the differential retirement ages for various ranks ensures that the organization renews itself.

The most important intervention in the human resources framework for civil services is performance management. The current "batch" based promotion and weak appraisal system under which more than 90 per cent of the candidates are ranked in the top grade lead to an inability of the system to differentiate between good and bad performers.

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Any reform must also figure out as to how to give the top civil service jobs to people when they are 45 rather than 58. The authority and experience in the first five years of a career in the civil services and private sector could not be more different. While private sector types like me were photocopying, drafting minutes of meetings, making cold sales calls and building useless but complex spreadsheets, my civil servant friends were running districts, allocating huge amounts of money, and handling law and order. But as the time marches on, a curious divergence emerges among people of the same age– as private sector people get more successful, their risk taking ability greatly increases. But as civil servants get more successful, success is defined

While private sector types like me were photocopying, drafting minutes of meetings, making cold sales calls and building useless but complex spreadsheets-my civil servant friends were running districts, allocating huge amounts of money, and handling law and order. But as time marches on, a curious divergence emerges among people of the same age— as private sector people get more successful, their risk taking ability greatly increases. But as civil servants get more successful — success defined narrowly as rising to higher levels— their risk taking ability exponentially decreases.

narrowly as rising to higher levels and their risk taking ability exponentially decreases. This is a problem; the top jobs in any organization – government, private or non-profit, need courage more than intelligence. Obviously non-cognitive soft skills are harder to measure and public policy is much more multi-dimensional and complex than functions which have clear objectives, inputs and time frames. But the current system is confusing the accounting of accountability (did you mindlessly

follow checklists, rules and procedures) with the account of accountability (did you do the right thing). And difficulty is not an argument against trying; we need a performance evaluation system that recognizes complexity (simplistic metrics could be gamed or may be precise but incomplete), is fair (it could make 10 per cent mistakes but must have 0 per cent mischief), and is institutional (Why not extend the mandate of the respected UPSC from selection to career management?). We can start by restricting 25 per cent of performance ratings to outstanding; it is mathematically impossible for everybody in a batch to be above average! A better performance management system will also let us tweak our compensation system. Today, people at the top of the government get paid less than they should and people at the bottom of the government get paid more than they should. There is hardly any performance pay and hidden benefits mean that Cost-to-Government is probably four times the salary. The move to Cost-to-Company in the private sector has been very useful in creating compensation transparency and hopefully, the next pay commission will monetize benefits for civil servants.

All three of the above points are tied together in the final objective of any civil services reform: increasing innovation and risk taking. India's problems are not like cancer or climate change where the solutions are not clearly known. Most problems that India needs to solve have some kind of committee from the past that has nicely articulated the solutions. But moving from the question of "what" to the question of "how" is what requires courage, persistence and a willingness to innovate. Unfortunately, all innovation is wasteful. Of course, risk aversion must be higher among civil servants than the private sector, there are unintended consequences of quick or radical change in large and complex systems like government. The status quo captures wisdom over time so there is merit in following rules, process and procedure. But this

structural risk aversion is currently amplified by the emergence of seven back-seat drivers (CBI, CVC, CAG, Media, NGOs, NAC and the judiciary) that do not distinguish between fraud, incompetence and bad luck. Any doctor will tell you that post-mortems have a certainty that prescriptions do not. The case for younger leaders is also tied to this risk taking point; the case for younger leaders is neither new nor different between the private and public sector, optimism, openness, boldness, flexibility, and energy. As Joseph Conrad wrote "I remember my youth and the feeling that will never come back – the feeling that I could last forever, outlast the sea, the earth, and all men." But the case for younger civil service leaders in India is even stronger. People at 45 are not eyeing the alphabet soup of regulatory appointments (NDMA, CCI, TRAI, IRDA, etc.) that mostly go to retired civil servants – some for competence but mostly for political preference. Younger leaders also tackle the other handmaiden of timidity; longer tenures will allow fresh appointees to do different things rather than the same thing differently.

People at 45 are not eyeing the alphabet soup of regulatory appointments (NDMA, CCI, TRAI, IRDA, etc.) that mostly go to retired civil servants — some for competence but mostly for political preference. Younger leaders also tackle the other handmaiden of timidity; longer tenures will allow fresh appointees to do different things rather than the same thing differently. People at 45 have more time to recover from mistakes; this makes them more open to choosing creative destruction over preservation.

People at 45 have more time to recover from mistakes; this makes them more open to choosing creative destruction over preservation. As Francis Bacon said, "Young men are fitter to invent than to judge, fitter for execution than for counsel; and fitter for new projects

than settled business." Lant Pritchett of the Harvard Kennedy school highlights the contradiction between "If at first you don't succeed, try and try again" and "Insanity is doing the same thing again and expecting different results" in his great paper *The Folk and the Formula*. He suggests that the correct version is "If at first you don't succeed, try something different" and cautions against "Isomorphic mimicry" which involves copying surface effects for camouflage e.g. Kenya has the best anti-corruption legislation on paper, India has 100 per cent ± primary enrollment but poor learning outcomes, a 2 per cent official unemployment rate but massive poverty, etc. He urges creating the policy space for mistakes and experimentation by thinking harder about the difference between the accounting and account of accountability. This is particularly relevant for India where not distinguishing between fraud, incompetence and bad luck by our seven policy back-seat drivers is not only murdering policy entrepreneurship, but also policy functioning. It is like a curious auto immune disease where your body has turned on itself. Political leaders aren't governing, civil servants aren't implementing or innovating, and consequently, entrepreneurs aren't investing.

One of the biggest questions I have in public policy is how do you get something done in government after everybody who matters in government agrees with you! When I was younger I did not have access and I thought that most senior people disagreed with me. Now I have full access and everybody agrees with the 10 policy changes for our demographic dividend I have been peddling (employment

exchanges, apprenticeships, vocational universities, benefits regime, etc.) We need our civil servants to think big, boldly and creatively. The Urbanist Jane Jacobs felt that being "magnificent", literally, makers of great things – has been a characteristic of leaders throughout history not because they love opulence, but because they need to show the scope

Today, a civil servant is not punished for a sin of omission (something they did not do) nor does she receive recognition for a sin of commission (something out of the ordinary that they did) which went well. But, if a sin of commission goes wrong, they will find few supporters. This framework does not recognize how innovation happens because waste and failure are inherent to the process.

of their ambition to bring people along with them. But civil servants will not be ambitious if the incentives they face are asymmetric incentives. Today, a civil servant is not punished for a sin of omission (something they did not do) nor does he/she receive recognition for a sin of commission (something out of the ordinary that they did) which went well. But, if a sin of commission goes wrong, they will find few supporters. This framework does not recognize how innovation happens because waste and failure are inherent to the process.

Einstein once gave an exam to his students when one of them asked

"The questions in this year's exam are exactly the same as last year's exam?" He said "Don't worry; the answers are different this year". This story is relevant to India and her civil service because the three questions India faces today are the same we faced at independence; how do we build a nation? How do we deliver social justice? How do we reduce poverty? But the answers are different because of many reasons. Because 3 million people win an election of some kind and because 1 million kids will join the labour force every month for the next twenty years. Because our founding fathers put together a polity and constitution that meant the fear of India splintering behind us and social justice as a work in progress. But the defining problem and challenge for India over the next two decades is poverty reduction. The first question that struck me when I went to the USA for my graduate studies was that these Americans aren't smarter than us, but why are they richer than us? There is nothing cultural about material prosperity; remember we busted the Hindu rate of growth by a huge margin over the last two decades even though we didn't shoot all the Hindus. Poverty reduction is a multi-dimensional project that requires the government, civil society and the private sector to work together. Yet, today, all three of us struggle with our birth defects; the government has an execution deficit, civil society has a scale deficit and the private sector has a trust deficit. But a more diverse, performance oriented and motivated civil service is crucial to a less poor India. Let the work begin. ❑

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India emerges as a favoured investment destination

- ❖ $ 175 Billion Foreign Direct Investment into India in the Last Four Years
- ❖ India received 94% of its total FDI in the last 10 years
- ❖ Robust FDI policies create more jobs and world class infrastructure development
- ❖ India ranked as top investment destination for FDI among emerging and developed markets

Increased Exports

- ❖ Exports Increased from ₹2.93 Lakh Crores to ₹ 16.34 Lakh crores in Last Nine Years
- ❖ Foreign trade policy opens new markets in Africa, Latin America and Asia
- ❖ Exports from SEZs touch a record of US $ 87.55 billion (Rs. 4,76,159 Crores) in 2012-13
- ❖ SEZs provide direct employment to about 12 lakh persons

Was Judicial Intervention in Management of Civil Services Required?

TSR Subramanian

It is the inherent strength of our Constitution that the third pillar, the Judiciary, has time and again risen to bridge the gap and to restore the overall balance and sanity in the system of governance....We now have a very active, aggressive and vocal media, unafraid of authority; civil society has acquired new energy and respectability; RTI has come into its own after ten years of existence there is a growing yearning for good clean governance

IT IS widely acknowledged, including by the Government of India, that poor implementation and weak oversight have distorted and reduced the effectiveness of Government policies and programmes. Thus, the Second Administrative Reforms Commission (ARC) acknowledged that "governance is admittedly the weak link in our quest for prosperity and equity. (Second ARC, Fourth Report on Ethics in Governance). The Tenth Five Year Plan noted that "people's welfare is largely determined by the efficiency of public delivery mechanisms. The best plan cannot compensate for poor implementation. Accountability and efficiency in all our public institutions are the key to unlock the potential of our country and to sustained social development." Weak governance has adversely impacted performance and resulted in unacceptably poor outcomes in a large number of critically important sectors, especially in crucial areas such as education, public health, etc. reflecting in very poor international ratings relating to various indices of comparison.

Since, for the need of proper management of Civil Services, the implementation of Government policies and programmes is the responsibility of the permanent civil service, the lacunae and fault lines in this regard can be traced back directly to the civil servant. The consistent failure to achieve targets, across the board and over time, clearly indicates that the basic problem underpinning each failure lies in implementation arising out of poor governance. Any attempt to improve administration must, therefore, necessarily focus on the micro–issue of civil service reform, which in turn, affects all aspects of service delivery and implementation.

The Union Government as well as the State Governments have set up numerous Committees which have studied and made recommendations with regard to administrative and civil service reforms. All these Committees have concurred on the need to protect the civil servant from extraneous pressures and make him/her independent so that he/she can render his/her considered advice freely and frankly, without fear or favour. Although, many of the recommendations of these Committees have been broadly similar, they have not been accepted or implemented. In this context, the Second Administrative Reforms Commission (2006-2008) noted that "it is ironical that there has been no sincere attempt to restructure the Civil Service although, more than six

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hundred Committees and Commissions have looked into different aspects of public administration in the country. The Indian reform effort has been unfailingly conservative, with limited impact. Civil service reform in India has neither enhanced the efficiency nor the accountability of the Civil Service in any meaningful manner."

The Hota Committee and the Santhanam Committee have recognized that much of the deterioration in the standards of probity and accountability within the Civil Services can be traced to the practice of issuing and acting on verbal instructions or oral orders which are not recorded.

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At present, the system of transfers, postings, promotions, disciplinary and other personnel matters pertaining to the higher civil services are ad-hoc and non-transparent. Transfers are often used as instruments of reward and punishment, with officials being frequently transferred on the whims and caprices, as well as the personal needs of local politicians and other vested interests. Officers, especially those in the All India Services serving in State Governments, have no stability or security of tenure, the 'transfer industry' is backed by entrenched and powerful vested interests, as frequent transfers generate huge amounts of black money for corrupt officials and politicians, both directly and indirectly.

All Commissions and Committees dealing with administrative reform have stressed the need for transfers at all levels to be handled in a non-political, non-partisan, open and transparent manner. The Hota Committee had identified the absence of a fixed tenure for officials as one of the most important reasons for tardy implementation of government policies and programmes, lack of accountability, waste of public money and large-scale corruption. "Good administration is not possible without continuity and intelligent administration is not possible without local knowledge."

The Conference of Chief Ministers (1997) had observed that frequent and arbitrary transfer of public servants affects the ability of the system to deliver services effectively to the people. It recommended the constitution of Civil Services Boards in different states. Direct political control or direction in the management of transfers, postings, promotions, inquiries, disciplinary proceedings, rewards and punishments has adversely affected the morale, capability, efficacy and morality of the Civil Services. These matters need to be de-politicized and entrusted to independent Civil Service Boards, which will closely monitor and ensure accountability at all stages, regulate transfers in a transparent and rational manner, protect the honest civil servant, and identify and recommend punishments for those who betray the public trust.

The implementation of civil service reforms and institution of a rational and transparent policy on transfers would go a long way in insulating civil servants from wrongful and extra-legal pressure from the political establishment.

PIL on Governance

It is in the above background of consistent reluctance, indeed total opposition to genuine reform in the management of civil services that a group of retired officers had to move

to the Apex Court for intervention. The prayer before the Court was neither related to the welfare of the serving officers, nor to the difficulties suffered by them through arbitrary transfers and whimsical management of the services dictated by special interests. The prayer related to the adverse impact on the population in general, since the civil services are not being enabled to provide the proper services that they are legitimately designed to perform – indeed the pleas related to improved rational management of the civil services, as a prerequisite for improved public administration.

The PIL, initiated in 2011 had the following specific prayers:-

i. For issue of a writ in the nature of mandamus or any other appropriate writ, order or direction requiring the creation of an independent Civil Service Board or Commission, both at the Centre and the State based on recommendations by the Hota Committee, 2004 (para 5.09,

Officers, especially those in the All India Services serving in State Governments, have no stability or security of tenure, the 'transfer industry' is backed by entrenched and powerful vested interests, as frequent transfers generate huge amounts of black money for corrupt officials and politicians, both directly and indirectly.

para 5.11, Main Recommendations No.38); the 2nd Administrative Reforms Commission, 2008 (10th Report, para 9.8); the statement adopted at the Conference of Chief Ministers on Effective and Responsive Administration, 1997;

ii. For issue of a writ in the nature of mandamus or any other appropriate writ, order or direction requiring the fixation of tenure for civil servants ensuring stability, based on recommendations by Jha Commission 1986 (para 7.2);

Central Staffing Scheme 1996 (para 17.01, para 17.02, para 17.03, para 17.12), the 2nd Administrative Reforms Commission, 2008 (10th Report, para 8.7, para 9.8, para 17.5); Hota Committee Report, 2004 (Main Recommendations No.39);

iii. For issue of a writ in the nature of mandamus or any other appropriate writ, order or direction requiring that every civil servant formally record all such instructions/directions/orders/suggestions which he/she receives, not only from his/her administrative superiors, but also from political authorities, legislators, commercial and business interests and other persons / quarters having interest, wielding influence or purporting to represent those in authority based on the principles recognised by Rule 3(3)(ii)(iii) of the All India Services Conduct Rule 1968 and as implicitly recognized by the Santhanam Committee Report, 1962 (section 6, sub-para 33[iii])

The demands stated above are clearly unexceptionable in principle;

What was seen hitherto as the exclusive domain or area of activity by the executive, is now subject to the test of 'public interest'; the Supreme Court, under the umbrella of Article 32 of the Constitution has found it fit to enter this domain, and has recognized the right of the people for 'good governance' as a fundamental right.

these are normally taken for granted in a well-functioning democracy. These very recommendations have been made in one form or another by successive administrative reforms commissions/ committees, as indicated earlier. Indeed, these are the starting points of any civil service reform, so, much more work needs to be done to make the civil services an effective instrument of governance.

In October 2013, in a landmark ruling, the Supreme Court in its findings, was fully supportive of the logic of the PIL and the need for intervention, in the public interest. The Supreme Court categorically supported the need for specifying a 'normal tenure' for every category of posts at the Centre and the State, and asked for a procedure to delineate the same. With regard to the establishment of the Civil Services Board, the Apex Court directed that such Boards, having expertise in areas such as finance, personnel, etc. may be established, separately at the Centre and the States, to oversee and recommend the management of civil services, including postings, transfers, disciplinary proceedings etc. The Apex Court also endorsed the principle that all oral instructions be brought on record and directed this to be formalized by the governments within three months.

Thus, the Supreme Court has paved the way for far-reaching reforms in the management of the civil services, through its landmark directions in October 2013. What was seen hitherto as the exclusive domain or area of activity by the executive, is now subject to the test of 'public interest'; the Supreme Court, under the umbrella of Article 32 of the Constitution has found it fit to enter this domain, and has recognized the right of the people for 'good governance' as a fundamental right.

Supreme Court Orders on Administrative Reform

It should be noted that this intervention of the Court is exclusively from the perspective of 'public interest'; it does not directly address grievances of civil servants, for which there is a separate mechanism. Clearly, the orders of the Court would imply some restraint or conditionality on the freedom of the political executive to have exclusive jurisdiction over postings, transfers and service

matters – a larger dimension has been introduced, stemming from the fact that all public servants are there for service of the public – management of civil servants is not a question of the mere convenience or desire of the elected public servants. Clearly, the elected head of government or elected representative needs full freedom to govern; this includes the right to move personnel in 'public interest' However, with the latest Supreme Court intervention, this right is not absolute. There has to be a rationality and reasonableness in the management of the civil services, as an essential part of good governance. Governance is not a personal household-

...the overall public interest is the paramount consideration, of which the elected public servant is not the exclusive arbiter. The reforms now mandated by the Apex Court are eminently reasonable; if the successive governments at the Centre and States had taken minimal care to ensure rationality in their management of personnel, the need for court's intervention would not have arisen.

type management by the elected representative; the civil servant is not a private servant, at the exclusive disposal of the elected public servant, to merely suit the latter's convenience and needs – the overall public interest is the paramount consideration, of which the elected public servant is not the exclusive arbiter. The reforms now mandated by the Apex Court are eminently reasonable if the successive governments at the Centre and States had taken minimal care to ensure rationality in their management of personnel, the need for court's intervention would not have arisen.

The public comments on the subjects, have characterised the intervention of the court as unnecessary, or over-stepping the jurisdiction of the Court. Clearly, this point of view is not

sustainable – interpretation of public interest and the larger ambit of Article 32 is in the province of the Apex Court, whose views are final. This issue has also been portrayed as one of Politician vs. Bureaucrat – this is clearly an erroneous, non-constructive and negative way of looking at the matter. The intervention of the court is fully justified and their definition of public interest is the only relevant one. Indeed, both the elected and permanent civil servants are the two sides of the same coin. Their interests in terms of dealing with public matters are common; there is, at least ought to be, no conflict in their mutual positions relating to public interest. Indeed, there can be no arbitrariness in public affairs; the concepts of transparency, right to information and the like are gaining greater currency and legitimacy in national practice increasingly in recent years.

Many elected politicians desire no restraint of any sort, on their freedom of action, merely on the ground that they have the electoral mandate to govern. Clearly, such a view is unsustainable; the overall public interest is supreme, under the umbrella of the Constitution. The elected representative is not the final judge of public interest, nor is the electoral victory, a licence for unfettered action. Thus, we have seen the reluctance of the politician, of every hue, to have an effective Lokpal; likewise the resistance to electoral reform, or for instance, openness in the financial accounts of the political parties. As we have seen in the case of the Lokpal, we have a thriving effective democracy, where public opinion can force significant changes in the overall structure, despite the combined opposition of the political class.

One further word on the issue of judicial activism or overreach, so far as this issue is concerned, needs to be mentioned. It is the inherent strength of our Constitution that the third pillar, the Judiciary, has time and again risen to bridge the gap and to

> **It is the inherent strength of our Constitution that the third pillar, the Judiciary, has time and again risen to bridge the gap, and to restore overall balance and sanity in the system of governance. Thus, the present intervention by the Supreme Court ought also to be seen as an instance of the inherent strength of our Constitution and the Republic.**

restore the overall balance and sanity in the system of governance. Thus, the present intervention by the Supreme Court ought also to be seen as an instance of the inherent strength of our Constitution and the Republic.

One final word on the implementation of the Supreme Court's orders may be relevant. Many comments have been heard that governments will drag their feet and will not implement the civil service reform directions in letter and spirit. Indeed, it has been pointed out that the Prakash Singh verdict in 2008 of the Supreme Court in relation to Police Reform, still remains largely unimplemented, with the State Governments reluctant to implement them. It should be pointed out that the overall atmosphere in 2014 is different from that existing a decade back in this respect. We now have a very active, aggressive and vocal media, unafraid of authority; civil society has acquired new energy and respectability; RTI has come into its own after ten years of existence there is a growing yearning for good clean governance. The circumstances are quite propitious for substantial and serious implementation of the Apex Court orders. This verdict may also provide a fillip to improved implementation of the Prakash Singh verdict.

In recent months, two major structural steps have entered our public space, not because the government wanted it, indeed despite government's strong objection. The Lokpal Bill has now been passed; its impact will clearly be felt over the next decade as a highly positive force. The Supreme Court verdict on Civil Service reforms has similar potential to impact the quality of governance, over the next decade or so. ❑

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Grain Production Sets New Record

- ❖ In the last 10 years rice production increased form 83 to 104 million tonnes, wheat from 68 to 92 million tonnes and sugarcane from 237 to 341 million tonnes
- ❖ With over 80 million tonnes of grains in stock, food security of the nation is now ensured
- ❖ India is now one of the top countries in the production of milk, fruits, vegetables, eggs and fish

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Highways Built and Upgraded

- ❖ 18,200 Km of Highways Built and Upgraded in the Last 10 Years
- ❖ Investment on road construction increased by five times
- ❖ Under Pradhan Mantri Gram Sadak Yojana more than 2,67,000 kilometers of new all-weather roads added to the rural road network
- ❖ More than 33 lakh kilometers of rural roads giving farmers easy access to agricultural markets

Mobilising and Managing Knowledge Resources

T Sundararaman
Mekhala Krishnamurthy

In running large-scale decentralised systems in knowledge intensive areas such as health, education, agriculture, water, and energy systems, it is the ability to synthesise tacit knowledge gained from practice in local contexts with more codified knowledge gained from training and technical support, into implementation processes, constant internal learning and renewal, and building institutional memory that makes a critical difference between success and failure

THE INSTITUTIONAL capacity to continuously access, mobilise, generate and manage knowledge resources to strengthen public systems and programmes – across sectors and on an ongoing basis – is a critical aspect of state capacity. Unfortunately, all too often, the approach to knowledge and its management within public systems has struggled to find a productive balance between being valourised (as 'expertise') and trivialised (as 'academic or theoretical'), externalised (as technical assistance) and routinised (as standardised and mandatory training days), over-emphasised (as reporting and record keeping) and unrecognised (as the 'tacit knowledge' and experience of local communities and field-level implementers.) In the process, we tend to arrive at a narrow understanding of poor programmatic outcomes and a limited view of the role of knowledge resources in transforming public systems and services.

In most cases, poor programmatic outcomes are perceived as implementation failures, with weak monitoring and enforcement held responsible as the major administrative lapse. And implementation failure is almost always equated with the failure to follow the scheme guidelines in a competent manner. This is both a narrow and largely misdirected understanding of the situation. In addition to serious gaps in financial and human resources, public systems and programmes suffer greatly from the inability to adequately and appropriately access the knowledge required for continuous capacity building and problem-solving at different levels. It is here that the budgetary allocations and the appointment of qualified staff, while necessary, are not sufficient. Knowledge must instead be recognised as a critical resource – on par with and distinct from financial and human resources. What is needed are well-defined and accountable institutional mechanisms designed to address the unique objectives, requirements and architecture of public systems and programmes to access and harness the knowledge essential for implementation.

Diverse Sources of Knowledge

The central challenge is to build an adaptive system – a vibrant, learning organisation, one that learns from communities, from academics, and from its own experiences in implementation and uses this learning to improve programme outcomes on a continuous basis.

It is vital to recognise all three sources of knowledge as important and

complementary: people's knowledge; academic or professional domain knowledge and implementers' knowledge. Most often, it is the people's knowledge that is ignored in these programmes. Even in the cases where its importance is accepted, there are few mechanisms by which this knowledge can be mainstreamed into the decision-making process. Equally, public systems usually fail to recognise and learn from the knowledge of field workers and mid-level managers in the implementation chain. Just as local communities are most often seen as 'end beneficiaries' rather than active participants, frontline functionaries are usually seen only as persons who receive training and not as practitioners who have valuable knowledge, which should contribute to decision-making and systemic

Just as local communities are most often seen as 'end beneficiaries' rather than active participants, frontline functionaries are usually seen only as persons who receive training, not as practitioners who have valuable knowledge, which should contribute to decision-making and systemic reform.

reform. Finally, the relationship with academic knowledge brings its own set of tensions. On one hand, the very different pace and presentation of rigorous academic research makes valuable knowledge out-of-sync and inaccessible to policymakers and implementers. On the other, there is an increasing emphasis on certain forms of 'evidence-based research' for policymaking and the adoption of research methodologies (especially experimental designs) in the evaluation of large-scale public programmes.

All this tends to reproduce a series of problematic disjunctures, between technical expertise and implementation, between those who design policies and programmes and those who deliver and manage them, and between the dispensation of expert advice, modes of evaluation and the

fixing of accountability for outcomes. A conducive and creative knowledge resource system should ideally bridge these gaps and put in place some well-designed institutional mechanisms that draws on diverse sources of knowledge in a cohesive and complementary way to strengthen public systems and the implementation of programmes on the ground. It should, therefore, be seen as a critical element in any agenda for administrative reform.

The rest of this article focuses on three key institutional mechanisms commonly used for accessing technical capacity and support, enabling systematic learning and developing institutional memory in public systems: (1) Resource Centres; (2) Knowledge Partnerships; (3) Internal Decision-Support Systems. For each, it presents some specific strategies and steps that may be taken to strengthen their design, management and performance. While it is of course, vital to take into account the requirements and unique features across diverse sectors and schemes, what follows is intended as a short thought-piece on some of the common design principles, which may be of value across systems and regions.

Enabling Dynamic Boundary Organisations

Resource centres can be productively thought of as boundary organisations – 'organisations designed to facilitate collaboration and information-flow between the research and public policy communities (Parker, John and Crona, Beatrice (2012) in *Social Studies of Science* 2012 42: 262) . But, in a critical extension of this definition, resource centres not only link research and policymaking, but are also dynamically embedded in systems of implementation. Here, they are *partly academic*, both in reviewing published literature and in commissioning and participating in implementation research and *partly operational*, as in formally sharing in the accountability for successful implementation of the programme. This is what gives resource centres their unique role and positioning. They are not designed to create a parallel system of implementation

or to externalise technical or expert knowledge, but to dynamise public programmes and systems by generating and integrating knowledge that can be effectively deployed by implementors to improve the programmatic outcomes. Resource centres are accountable for successful implementation of the programme because they provide information to decision makers at all levels of the implementation cycle, from programme design, to drafting of guidelines and tools of programme implementation, building capacity in organisations charged with implementation, to monitoring programme implementation and identifying gaps and most importantly, interacting and learning from communities and field-level implementers and feeding knowledge from these sources into decision making.

Of course, resource centres are not a new idea in development programmes in India and have been a feature of the design and implementation of public programmes and systems across different states and sectors over many

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years. Unfortunately, very few such initiatives have been able to establish dynamic institutions that exemplify the special potential and role that resource centres can and must play as boundary organisations and vibrant centres of learning, transforming access to knowledge resources across public systems and programmes. The experience of establishing and running resource centres across different programmatic contexts suggests some of the key aspects that must be

addressed for resource centres to work as an effective mechanism for accessing and generating knowledge required for programme implementation:

1. Resource centres need governance structures that ensure that they are the most responsive to the day-to-day priorities of implementers and planners. Any academic publications and the choice of

Resource centres should not be defined by what they published or what studies they have conducted, but by how they helped uptake of appropriate knowledge from already available sources – in published literature, from the community of practitioners and most of all from local people and communities – and the active use of this knowledge in decision making, leading to better programme outcomes.

research questions or studies towards primarily academic ends is secondary to the priority of delivering timely and high quality implementer support. If resource centres feel themselves accountable for programme results, instead of sitting on judgment of whether results have been achieved or even merely identifying programme gaps, the entire choice of questions and the nature of findings changes. Resource centres should not be defined by what they published or what studies they have conducted, but by how they helped in the uptake of appropriate knowledge from already available sources – in published literature, from the community of practitioners and most of all, from local people and communities – and the active use of this knowledge in decision making, leading to better programme outcomes.

2. Resource centres are best set up as organisations with considerable functional autonomy to adopt the Human Resource policy most suited for their functions, for the

construction of partnerships as needed and for building their own internal capacity and cumulative increases in institutional memory. Importantly, resource centres may be located within existing organisations or be newly created ones. The critical requirement is not necessarily for a new organisation but for an institutional architecture that can provide functional autonomy, internal leadership and strong governance. While, it is important to be responsive to the day-to-day priorities of implementers, there is also a need to assert a critical distance, so that resource centres do not get absorbed as extra hands for programme management. Both the overlaps and the distinction between programme management and knowledge management are vital. In this regard, it is essential for a resource centre to have a credible and dedicated Governing Board, which includes equal representation from implementers and from academia and civil society.

3. A key requirement is for the organisation and for individuals within the organisation, to be given sharply defined deliverables and outcomes, which form the basis of their appraisal and continuation. Finding the right leadership is very important, but, to the extent that one gets the internal organisational design right, has clarity on the role and powers of the Governing Board, and ensures that the creation of the organisation and the powers of the Board are well grounded with necessary approvals under government rules, so that the dependence on a larger-than-life individual leadership to overcome all the usual obstacles to perform can be reduced. One of the critical steps is to develop clarity on which the, tasks are allotted to the chief executive of the organisation and how he or she in turn allocates and reviews tasks delegated to individual consultants and partner institutions.

4. Finding the right human resources for such lean, high impact centres

is important. The HR composition should be a good mix of those who come from academics and domain experts, who are also social activists (where relevant) and also from implementers. Community resource persons could be the most effective human resource of all and must be given the highest priority.

5. Finally, resource centers have typically only a small team in each of their areas of intervention and require partnerships to be effective. In any case, no single institution can build the capacity or mobilise all the knowledge needed for a complex public system or large-scale programme. More importantly, there are areas of specialisation where the domain knowledge has to be nurtured and grown within a setting where there are many persons working in that discipline, across multiple sectors. Just hiring a specialist from one of these disciplines and placing them

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within a sectoral organisation where there is likely to be only one or two more persons from that same discipline leads to loss of capacity, even in the specialist. Therefore, even where there are effective resource centers, partnerships are needed and conversely, partnerships are best harnessed where there are dynamic resource centers.

Managing Diverse Knowledge Partnerships

An appropriate set of rules for managing knowledge partnerships is

urgently required. These rules need to be carefully designed to allow a range of partnerships to be formed, funded and reviewed. These must enable:

1. Transparent selection on a set of merit criteria that allows for local and multiple organisations to participate in the programme. This could include marks for being from the concerned locality and a ceiling for the number of districts or projects to be given to any one agency.

2. Appropriate contracting agreements, appraisal and renewal processes.

3. Grievance redressal mechanisms, especially required for smaller NGOs and consultancy organisations to appeal to, if there is any disregard of the terms of the contract by arbitrary administrative action.

In many sectors, partners will require capacity building for themselves and governments must be ready to invest in these organisations. Wherever possible, a choice must be made to build capacity in local knowledge organisations so that they can help the programme over the long-term.

In many sectors, partners will require capacity building for themselves and governments must be ready to invest in these organisations. Wherever possible, a choice must be made to build capacity in local knowledge organisations so, that they can help the programme over the long-term. The following mechanisms may be considered for capacity building in knowledge partnerships, which would both substantially increase the value of these partnerships to programmes and to their network of partners:

a. Create and pay for faculty positions in educational and research institutions, so that the partner organisations grow and strengthen their commitment and human resource capacity to respond to programme needs.

b. Allow for implementers to teach and research through arrangements such as visiting faculty or fellowships, and for teachers and researchers to implement, by taking them on deputation into resource centers and even programme management units.

c. Allow for permeability of information across organisational boundaries, by having working groups and task forces for specific programmes, which involve and network these organisations.

d. Commission research projects and studies with partner organisations but with guidance from and in partnership with the implementers, so that they learn the problems of the day and have an understanding of already tried and tested solutions. A common problem with much of the academic input into policy and strategy is that they usually state what implementers already know, and have neither the tools, nor the frameworks needed to understand the constraints that implementers face, come up with much less innovative ways of overcoming these constraints. It helps to have resource centers act as bridges between the partner organisations and the implementers on a regular basis.

e. Commission some periodic tasks that are repeatedly and reliably carried out by the partner organisations – as an extension of the implementation unit. The tasks so outsourced should be chosen keeping in mind the specific nature of knowledge required. An example would be tracking state level public health expenditures and out-of-pocket expenditures annually or carrying out the national family health survey on a recurrent basis.

Designing Decentralized Decision Support Systems

While selected tasks may be commissioned out to partner organisations, all large-scale public programmes and systems require detailed information about how implementation is proceeding at the level of local units (village or facility) and at mid-level management units (block or districts) on a regular basis. This information is needed to take the appropriate management decisions and identify problems as early as possible, triggering corrective actions in problem areas as soon as they have been identified and preventive action throughout the rest of the system.

There has been a considerable effort in organising internal management

There has been considerable effort in organising internal management information systems (MIS) to support decision making, but despite much promise and hype these have performed well below requirements. One major problem in this area is the lack of systematic evaluation of the value addition provided by IT systems.

information systems (MIS) to support decision-making, but despite much promise and hype, these have performed well below requirements. One major problem in this area is the lack of systematic evaluation of the value addition provided by IT systems. Learning from these experiences, the following points are suggested as minimum design requirements for a successful information-based decision support system:

a. Maximum capacity for analysis and use of information should be at the point of entry of information and at the intermediate levels of management, where most of the management action has to be taken. Information flowing to higher levels is ideally curtailed to a very few data elements and a small set of indicators. There is, of course the option provided for higher levels to access and see district and block or primary reporting unit level information if they need to. However, there must be a shift from current designs, which are typically

based on perceived requirements of adminstrators at highest levels, who have little grasp or prioritisation of what is needed at local levels.

b. Systems should allow options for data of different granularity to be uploaded from districts/reporting units and yet be able to integrate the information. The level of granularity would depend on systemic capacity, in terms of human resources, skills, hardware, connectivity etc.

c. No peripheral service provider should have to enter any data more than once, after which, it is up to the system to absorb and process it and to disseminate the necessary outputs to the different users. The burden of data reporting work should not compromise, time spent on more important programme priorities and the proportion between efforts at data collection and use should be optimal.

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d. IT systems should be designed to provide feedback to implementers at peripheral levels and to communities and local governance structures.

e. IT standards as regards data and inter-operability should be put in place and a data policy should specify rules for access to information, storage of information and retrieval. Ease of exchange of information between systems, especially of aggregate numbers should be an essential for the design.

f. It is essential for an independent agency to formally test, report on and certify the capacities of each software in use and certify their compliance to standards. There are such organisations in place which this, but these are seldom used for IT software used in government programmes.

g. Information requirements are dynamic, be it the information collected, reports generated and the different sources and formats of information that need to be integrated, they will all keep changing. In large scale-ups of decentralised system, the applications need to be installed in every reporting and mid-level management unit. For all these reasons, applications based on open standards/open source have advantages and are to be preferred. But the systems of procurement and contracting systems for support for open source systems are very poorly developed and these act as a major constraint to the management of information. Existing IT procurement practices should be tested for friendliness to open source procurement and rules and guidelines appropriate for this process should be introduced.

h. Capacity building is required at block, district and state levels to analyse and interpret the data. Appropriate IT design is one part of the capacity needed, but equally important, is that programme managers require training and support on how to convert this information into knowledge that can be used to trigger management action, improving programme responsiveness and performance.

i. All IT based decision support systems should be evaluated, both for processes, outputs, compliance to standards, integration with other systems and above all for its contribution to improved programme performance. The lack of independent professional evaluation of IT in use is a problem. There is a tendency to present design intentions as actual performance and achievements and attribute gaps in performance to factors considered extraneous to the IT product, whereas, this is really a problem of the design. It is common for awards to be given without even proposing an evaluation. Thus, opportunities for overcoming the problems that are common to most such systems is lost and after such time, the decision support system also gives up and a new cycle starts, with no

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institutional memory of past efforts and the constraints faced earlier.

j. Design and leadership of information systems require a mix of knowledge and skills in information science, computer applications and domain knowledge pertaining to programme management in that sector. Such a combination is not easy to find, but must be developed in a team located in the programme management structure or in the resource center, in partnership with professional agencies and specialist institutions.

Conclusion

While decentralisation is widely accepted as an important goal of administrative reform, it is also well-recognised that without the necessary institutional capacity at the decentralised levels, the opportunity to make use of the devolved powers to ensure more effective resource allocation and improved programme outcomes is limited or even lost. However, discussions on institutional capacity are often restricted to issues around the devolution of powers and

to finding and training the right human resources. Moreover, these actions have become increasingly preoccupied with whether rent-seeking and corruption will increase or reduce as a result of devolution, or in other words, in the proposition of a mechanical decentralisation, while doing away with discretion. But, while increasing transparency and accountability is vital, this tends to be a very narrow and ultimately counter-productive approach to the far more diverse, complex and contextual problems of implementation. For, in running large-scale decentralised systems in knowledge intensive areas such as health, education, agriculture, water and energy systems, it is the ability to synthesise tacit knowledge gained from practice in local contexts with more codified knowledge gained from training and technical support, into implementation processes, constant internal learning and renewal and building institutional memory that makes a critical difference between success and failure. As this article has tried to argue, this requires diverse and specific strategies and well-defined institutional mechanisms to mobilise and manage knowledge resources intended to support decision-making that is both flexible and accountable at all levels of implementation, especially by mid-level managers and frontline functionaries, who must constantly apply and renew their knowledge on the ground. Without these in place, the vital potential, financial allocations and expected outcomes of decentralisation, will not materialise. ❑

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NORTH EAST DIARY

MEGHALAYA GETS $ 100 MILLION AID FROM ADB

Meghalaya will be provided with $ 100 million from Asian Development Bank for imparting vocational and educational training, under the agreement signed between Government of India and ADB to upgrade the employability of the youth. This is the first loan to India by ADB under the project 'Supporting Human Capital Development' in Meghalaya. Another technical assistance grant of $ 2 million will be given by Japan Fund for Poverty Reduction to boost civil society organizations and other related state government departments.

NATIONAL SURVEILLANCE PROGRAMME FOR AQUATIC ANIMAL DISEASES

The 'National Surveillance Programme for Aquatic Animal Diseases' was launched at Khanapara, Guwahati in Assam, conducted jointly by the College of Fisheries, Assam Agricultural University and the Central Inland Fisheries Research Institute, Barrackpore. With National Bureau of Fish Genetic Resources, Lucknow, as the nodal institute, this surveillance programme is expected to create a comprehensive roadmap and database to help fight and control diseases by spreading awareness among the fish farmers of the state to become self- reliant in fish production and increase fish productivity to 3000 kg per hectare. Assam is among the 14 states which have been selected for surveillance; in its 8 districts namely Kamrup, Barpeta, Cachar, Nagaon, Morigaon, Somitpur, Lakhimpur and Golaghat the disease screening will be conducted in atleast 10 farms.

PANEL TO TAKE UP NORTH EAST CONCERNS

A six member committee has been set up by the Centre to deal with the problems faced by the people from the North Eastern region throughout the country. This committee will be headed by Mr. Bezbaruah and assisted by the Joint Commissioner of Delhi Police, Mr. Robin Hibu, along with members, one from each North Eastern state and one lay member. Analyzing the problems and reasons behind the recent attacks and racial discrimination faced by North Eastern people, especially those living in the metropolitan cities, this committee will submit its report after two months.

NORTH EAST POWER PROJECTS RECEIVE AID FROM WORLD BANK

To build infrastructure in the Power sector, the World Bank will give a major share of Rs. 8,150 crore project to be executed by State-owned Power Grid Corporation of India Ltd (PGCIL), a 'navratna' power transmission company, to conduct power transmission lines, transmission sub-stations and other related works in different phases in the North Eastern states namely Meghalaya, Manipur, Nagaland, Mizoram and Tripura. The PGCIL will also give technical and managerial assistance for Inter-State transmission and distribution systems. Also, a 'Smart Grid Project' of the Centre will come up in 14 cities all over India on a pilot basis with a cost of Rs. 200 crore in which, Agartala will be the only city from the North Eastern region. The SGP is a digital technology for two way communication between the utility and the customers and also monitors the electricity transmission lines.

Administration in the Globalisation Era

Uma Medury

There is need for a holistic approach to development, which is sustainable, gender sensitive and people - centered. In furthering development, the earliest minimalist state approach is giving way to complementary roles of state, market and civil society and their integration

THE INFLUENCE of globalization on political, social, economic, cultural, technological, environmental fronts in the 21st century has been phenomenal. It has resulted in increase in foreign direct investment, development of technology, telecommunications, computing, trade liberalisation, deregulation of financial and banking systems and growth of multinational corporations. There is a formidable spread of goods, services, technology, new processes and innovative practices in various fields. The current scenario is also giving rise to new societal expectations, changing value systems, altering the nature of the state and governing systems. The impact of globalization on the economy is mixed, with benefits accruing due to competition along with economic crisis, weakened state apparatus, propagation of market oriented values, disturbing the concentration of wealth leading to increasing levels of poverty, inequality, and social crisis with significant repercussions on development.

Impact on Public Administration

Globalization is affecting the public administrative system as it is embedded in the framework of the state. This is, to a great extent, due to the impact of pressures generated especially on developing countries by global institutions, information technology and increasing concern for efficiency and economy. The aid provided by the international financial institutions, especially to developing countries has wider repercussions as it increases their financial, military and political dependencies on the West. This, in many countries, has resulted in people being devoid of any choice of determining their own priorities and policy preferences. The structural adjustment policies, pursued by many developing countries have been considered as a negation of local democracy.

Globalization is resulting in a transition from centrally planned economies to market structures and their integration with the global economy. This has an impact on the administrative framework, functioning of state machinery along with acquiring new skills, capabilities and transformation in the peoples' mindset to adjust to the new environment.

The nature and processes of administration have been severely affected by the changing perceptions of the role of state, market driven approach to development and also working towards a synergy between

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government, market and civil society. While the administration is expected to move towards protection of citizens' rights, ensuring accountability, creating transparency, and fostering ethical values, globalization is also leading to shrinking of public space, violation of human rights and commodification of citizens.

Public administration always had the major obligation of adhering to rule of law, promoting public interest, assuring equity, representativeness and responsiveness to the citizens. The excessive reliance of the traditional administration on bureaucracy, hierarchy, rules and regulations, in course of time, raised significant questions of their efficacy and effectiveness. This, coupled with the dismantling of Soviet Union, increasing levels of public expenditure and taxation, dissatisfaction with the functioning of the bureaucracy strengthened the notion that the

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'traditional' state model has failed to implement appropriate policies and deliver effective services and that, there is a need to look for an alternative model. While the core of the state and public administration persists in the broader sense of continuity, major changes have occurred as a consequence of globalization that has altered their nature and character.

There have been intellectual debates and discussions to give new insights into the role of administration in the globalization scenario. The complexities and intricacies of the conventional model of public administration have given way to a new thinking that:

- The present changing scenario needs government reforms.
- Public organisations need to undergo a change in mindset from mere execution of tasks to performance orientation.
- They need to be risk-taking, mission-oriented and service-oriented.

These changes have been precipitated by certain major concerns, faced by countries across the globe. The economic recession of 1970s due to oil crisis has been responsible largely for severe budgetary deficits in governments. The prevailing atmosphere also raised serious concerns about the:

- Increasing public expenditure;
- Wastage, inordinate delays, mismanagement coupled with corruption, inefficiencies in various governmental operations;
- Lack of accountability and;
- General perception of citizens feeling remote from the decisions taken by the government;

The efficacy of institutions of welfare state has been under question and these were held responsible for inflation, discouraging market mechanisms and long-term economic decline. The socio-economic recession compounded with increased international competition acted as a catalyst for reforms. The inefficient and poor quality public services provision has been another concern. There was a widespread belief that public services have limited effective outcomes, which are not commensurate with the costs. The distinct triggering factor that led to these developments is the unresponsiveness of public administration towards the global changes to markets, technology,

citizens' demands etc. The bureaucratic system was appraised due to it being rigid, inflexible and insensitive to the demands and aspirations of the citizens. In addition, in the present globalisation context, the prevailing scenario compels the administrators to embellish public sector to enable it to compete with market sector. The impact has been on the role of the state and increasing managerial orientation in administration.

Changing Role of the State

The state has always been at the centre-stage of societal governance. Traditionally, many countries embarked on the concept of welfare state – a political system with high degree of responsibility for the welfare of the population. Globally, the onset of globalization on various fronts in the 1980s and 1990s resulted in changes in the role of the state, irrespective of the local political and administrative cultures. It started appearing that the institutions, mechanisms and processes of public administration are inappropriate and ineffective in the

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performance of tasks. The dissatisfaction is primarily due to inability of the state to respond in prompt, satisfactory, flexible, innovative ways in tune with the changing scenario. It was being perceived that despite the state being pervasive, it is also getting unresponsive.

A powerful new paradigm of limiting government action that was dominant in western democracies held

the view that government should:

- Do less;
- Reduce or relinquish their previous overburdening responsibilities;
- Privatize public services or their delivery wherever practicable and;
- Reform their own operations in accordance with the market concepts of competition and efficiency;

These beliefs in 'governments by the market' rest upon the proposition that the market system is inherently a better method of satisfying human wants and aspirations than recourse to government. The changing complexion of the state has also brought in new structures and features. A pro-market and anti-state philosophy of 'private good' and 'public bad' prevailed during 1980s and 1990s in the UK and USA. It has seen the rise of the new political economy of development based on

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Managerial Orientation in Administration

Public administration, has been experiencing transformation since 1960s in tune with the socio-economic and environmental pressures. The circumstances beginning in 1970s,

globally gave impetus especially in the western world to embark upon some radical administrative reforms. The relevance of the classical public administration model with emphasis on hierarchy, structure, rationality, centralization etc., was being questioned. The rational behaviour, the hallmark of public administration that was being contemplated is not relevant and feasible in the contemporary scenario. Public administration, which all along has given prominence to processes, procedures and public service orientation, seems to be giving way to efficiency, economy and effectiveness in achievement of results. Managerial improvements aimed at ushering in business management techniques and market mechanisms, competition and client orientation began gaining prominence, under the rubric of 'New Public Management'.

No doubt, in many countries in the later part of 19th and early 20th century, the administrative efficiency was related to bureaucracy. In developed countries also such as USA, the need for bureaucracy to manage public utility services such as electricity and water supply was realised and this resulted in significant levels of investment in infrastructure leading to economic growth. The direct government provision, which gained prominence, has gradually made way for privatization, contracting out etc. The disenchantment with public sector provision, in addition to fiscal reasons, also has been due to significant transformation of government's thinking especially in Britain, Canada, New Zealand and Australia. The political leadership in these countries was in favour of bringing changes in public service management. The intellectual climate too, appeared favourable to introduce changes in public sector. The rise and impact of new right philosophy considered market as superior and strong and can be applied to all public and social spheres. The group of influential neo-liberal economists criticized 'big' government and were of the opinion that only free markets can put together the disparate elements in a society.

The New Right deriving its theoretical principles from the monetarist and public choice schools denounced the role of bureaucracy, minimal role for the state in provision of social assistance and took an extreme view of denying the government its legitimate role of working towards egalitarianism and social justice. Hence, the entry of market forces and managerial

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During 1980s and 1990s, the Structural Adjustment and Stabilization Programme (SA and SP) embarked upon by several developing countries including India, emphasised the need for sound macro economic and financial policies, trade and financial liberalisation, privatisation and deregulation of domestic markets. This policy promoted minimal state that refrains from economic intervention, which focuses on sound monetary policy, secure property rights and provision of education, health and infrastructure.

Public Administration: Emerging Challenges

Globally, in the current scenario, administration as an instrument of government is undergoing a major transformation. It is expected to be flexible, proactive, risk taking, entrepreneurial, and move towards reinventing government, public service reforms, application of information

technology, good governance measures and so on. There is place for government, market, society and what is needed is to reconfigure them in an enabling manner to assume global responsibilities on the road to development. This poses new challenges to public administration. Some of these include:

Recasting the Role of the State

Globalization, no doubt, impacts heavily on the state, its policies, institutions and personnel. The "public sphere" and the space for citizen involvement seem to be shrinking with the corporate state making its strong presence. The role of state needs to undergo a change. What was overlooked or consciously ignored (with regard to socialist countries) was that a functioning market economy

Effective economic governance demands the state to make efforts to provide a conducive atmosphere for market institutions to function and at the same time strives to make them socially responsive. Also, through setting rules in the market place, creating market institutions and regulation, state can play a key role. The necessary administrative support is provided towards promoting a competitive climate and maintaining a stable economy.

requires an adequate institutional infrastructure providing market preserving and market enhancing incentives to both policy makers and private business. A strong state that enhances the performance of the market players is imperative. The state has an important and a new role to play to reconcile the interests of public, private institutions as well as social action. The state in the present times has a multifaceted role. It has to be democratic, participative, catalytic and regulatory. People are to be a key component of the governance process.

Then only can the undesirable effects of globalisation be minimised.

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The state is to be democratic, participative, catalytic and regulatory. The hallmarks of an intelligent, democratic state can be summarised as follows:

- Strong institutions of governance and the rule of law.
- Credible and independent judicial institutions.
- Effective legal frameworks for economic activity.
- Open and competitive economic environment.
- Price stability and fiscal responsibility.
- Equitable tax system.
- Developed and competitive labour, financial and capital markets.
- Adequate steering, regulatory and enforcement capacities together with judicious privatization and outsourcing of services to private providers.
- Public and private partnerships in business promotion with emphasis on micro industries and small and medium enterprises.

There is a need for evolving a new regulatory state with an expanded agenda that is regulatory in nature, providing for mechanisms for ensuring efficiency, setting standards of service, removing market distortions, appropriate regulatory/ legal framework for players in the market and protecting the interests of consumers, employers, employees and other stakeholders, regulation attempts

to balance the varied and competing interests of market based institutions, shareholders, consumers, employees and the community as a whole. It ensures fair competition, prices, quality of services, consumer protection etc.

Civil Society as a Supplementary Democratic Model

In the changing scenario, there emerged a view that individualism, which was embedded in the market and government guided by market forces is not favourable to any society. Hence, states and markets need to be supplemented by another institutional alternative in the form of civil society organisations or non-state actors.

Civil society as a kind of sphere outside and distinct from the political sphere of the state emerged in the 18th and 19th centuries. It refers to self – organisation of citizens in contrast to the state or government and is rooted in western rational decision and political culture. Civil society is the collective of those organisations that enjoy

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autonomy from the state and have as one important goal, among others, to influence the state on behalf of their members.

As markets are being driven by profit criterion and the state organisations because of their inefficiency and unresponsiveness, the civil society organisations have gained prominence due to being participatory, flexible, less bureaucratic, cost effective and

ability to reach the people. The citizens have a vital role in deliberating on matters concerning their own welfare. The development of the civil society organisations is considered as growth of communitarianism.

The state and market are generally considered as sources of remote decisions that might not have much of an impact on the lives of the community. The emergence of communitarian movement, which is a new development, but is gaining momentum, provides a broader perspective to society as comprising new forms of community (local, voluntary, professional etc) working

The thinking that is gaining coinage is that the state is delegating more of its functions to partly autonomous local agencies, communities and co-operatives. This is a way of democratic decentralisation. The limitations of free market doctrine, has now given way to a *third way*, which gives importance to strengthening of government, citizens and private sector firms.

with the spirit of mutual concern and cooperation. The thinking that is gaining coinage is that the state is delegating more of its functions to partly autonomous local agencies, communities and co-operatives. This is a way of democratic decentralisation. The limitations of free market doctrine, have now given way to a *third way*, which gives importance to strengthening of government, citizens and private sector firms.

Ensuring State – Market Cooperation

Even in the most liberal economies, states have a prime role in shaping economic life. The market economy needs a strong government institutional basis, which can ensure sustenance of entrepreneurship, through suitable regulatory and supervisory

mechanisms. Administration in this context has to ensure practice of sound business practices through appropriate corporate governance measures like enterprise restructuring, financial sector and infrastructure reforms. In the context of state – market relationship, the intention is to strengthen the government's role as an instrument of state to regulate and steer. This calls for promoting competitive market conditions, encouraging community action, price setting, monitoring and evaluating the performance of market players and intervening to correct market failures.

The state had always discharged an important role in formulating development policies and programmes, providing suitable institutional environment to implement policies and a stable political and social environment for sustenance of policies. But the sudden and massive rise of global capitalism raised questions about the efficacy of state and its institutions in shaping economic life. It is gradually being realized that the administrative and political functions of state are crucial for successful implementation of any market-oriented programme. The interventionist role of state assumes a different form. Government interventions are to be market-friendly to make the markets function efficiently and be people-oriented and also socially responsive.

In ensuring state-market coordination, the role of government centres on:

● Providing overall economic policy;
● Developing the necessary infrastructure;
● Removing market distortions;
● Setting standards of service;
● Ensuring fair competition amongst private players in the concerned sector;
● Instituting appropriate regulatory / legal framework for players in the market;

● Protecting the interests of consumers, employers, employees and other stakeholders and;
● Providing capital to market players.

Creating State–Society Synergy

The state, along with several forms of societal organisations is playing an active role in the governance process. Hence, increasing emphasis is being laid on creating synergy, partnership and complementarity between state and society. Developing bottom – up participatory processes shall enable the community to have control over their needs and resources. In developing countries, several forms of collective self-help approaches are coming up to realize common needs such as afforestation, water distribution, irrigation etc.

Building synergy between state and society needs appropriate strategies to:

● Develop, strengthen and sustain collaborative and participative processes;

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● Foster institutional development that facilitates resource mobilization, coordination and networking;
● Ensure transparency, empowerment, accountability and;
● Strengthen human capacities.

All countries, developed and developing, have an administrative

system based on traditional premises. But the impact of globalisation has been so severe as to impact the values of public organizations. Hence, concerns were raised over democratising globalization to tackle its negative consequences through appropriate reforms. This calls for changing the complexion and improving the capacity of administration to discharge the new tasks. There is need for a holistic approach to development, which is sustainable, gender sensitive and people-centered. In furthering development, the earliest minimalist state approach is giving way to complementary roles of state, market and civil society and their integration. Administration needs to gear up to the challenges of:

- Redefining the respective spheres of state and non-state actors, building mechanisms for better interaction and cooperation;

- Framing suitable laws and regulations that provide necessary enforcement, stability and confidence and;

- Building a professionalised civil service possessing, necessary competence, skills, public service orientation, participatory and a pro-citizen ethic.

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People Centric Administration

Vandana Jena

Participatory governance and stakeholder participation is the guiding principle for the administration and this was emphasised during the preparation of the approach paper for the 12thFive Year Plan when over 950 organizations were consulted. The plan was put on the website and Facebook to invite comments, so that people are consulted at the planning stage itself and the Plan reflects the citizen's aspirations

THE DISCOURSE on governance in public administration, the world over, has swung between two extremes, 'the government that governs the least governs the best' and the ubiquitous government which looks after its citizens 'from the cradle to the grave.' In India, the concept of the 'Welfare State' has been enshrined in the Directive Principles of State Policy in the Constitution. Over the years the focus of administrative reforms in India has changed. Earlier the touchstone on which government policies were tested was 'efficiency, economy and effectiveness.' Subsequently the thrust was on 'responsive administration.' The focus today is on 'transparency and accountability,' in administration as well as 'participatory governance.'

The vision behind the notion of people-centric administration has been the mantra given by Mahatma Gandhi who said, "I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it?"[1]

Good Governance has been emphasised by successive Five Year Plans. The 12th Five Year Plan states, "Good Governance is increasingly viewed as an essential element of any well functioning society. It ensures the effective use of resources and deliverance of services to the citizen's and also provides social legitimacy to the system."[2] It further states, "The problem of Governance that has to be tackled surfaces in three ways. The first relates to systemic improvements, which increase the effectiveness of plan expenditure on new programmes. The second relates to improvements in consumer satisfaction on the delivery of services by government agencies. The third relates to the perception of corruption and what we can do to tackle it."[3] The endeavour of the Government therefore has been to provide people centric administration. To meet this goal, Citizen's Charters have been drawn up. "The Citizens' Charter is based on the premise that the Citizen is "King" and government organizations exists not to rule but to serve the citizens."[4] Each organization is expected to spell out the services it has to perform and then specify the standards/norms for these services, to enable both the service provider and the citizens to realize that public agencies are expected to provide services. The Government has also set up an elaborate machinery for redressal of public grievances.

The 12th Report of the Second Administrative Reforms Commission on Citizen Centric Reforms has listed a large number of reform measures –

some at the macro level–and others at the micro level which have sought to bring administration closer to the people. These include (i) enacting laws giving certain rights to people, (ii) setting up of new institutional mechanisms to redress citizens' grievances, (iii) improving accessibility to citizens by setting up units closer to people, (iv) simplifying procedures to reduce bureaucratic delays, (v) using technology to improve internal efficiency, (vi) rewarding government employees who perform well, (vii) improving discipline within the organization, (viii) reducing regulatory control (ix) holding public contact programmes etc.

In response to the recommendations of the Second Administrative Reforms Commission on Citizen Centric administration the Government of India has initiated "Sevottam". The

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Sevottam model aims at improving the quality of public service delivery in the country. The first component of the model requires effective charter implementation thereby opening up a channel for receiving citizens' inputs into the way in which organizations determine service delivery requirements. Citizens' Charters publicly declare the information on citizens' entitlements; making citizens better informed and hence empowering them to demand better services. The second component of the model, 'Public Grievance Redress' requires a good grievance redress system operating in a manner that leaves the citizen more satisfied with how the organization responds to complaints/grievances, irrespective of

the final decision. The third component 'Excellence in Service Delivery', postulates that an organization can have an excellent performance in service delivery only if it is managing the key ingredients for good service delivery well, and building its own capacity to continuously improve delivery.[5]

In the 1980's and 1990's the yardstick for testing the success of administrative measures was 'economy, efficiency and effectiveness,' in administration. Sporadic efforts were made by individual Collectors to address the needs of the people. Foremost among them was the Ahmednagar experiment which is well known. Another innovation was the 'File to Field Programme' launched in Quilon district in Kerala which brought administration to the doorstep of the people and attempted to provide a 'Single Window' service of various government departments and agencies, especially in backward rural areas. The bureaucracy cleared the backlog of files so that the final decision on each could be intimated to the beneficiary during the programme. A large number of Government Departments participated during the programme along with commercial banks and cooperative institutions, and voluntary organisations. This led to the provision of electricity and drinking water facilities, especially for Dalits; provision of self-employment assistance to the unemployed; sanction and distribution of various social security payments like pensions to the aged, the destitute, widows, cancer and leprosy patients; sanction and distribution of land to the landless etc. This initiative led to the decentralisation of administration, redressal of public grievances, elimination of corruption and deliberate delays, elimination of intermediaries, while enabling the poor and the weaker sections to avail of government aid through the existing schemes in an efficient manner.

Mukt Dvar Prashasan (Open Door Administration), an innovation similar to the File to Field Programme, was launched in Mahendragarh district in Haryana. Under the programme village panchayats were used as

catalytic agents in disseminating information and developing attitudes of cooperation. Demystification of procedures was an important factor in reducing the gap between the common man and bureaucracy. The Mukt Dvar Prashasan Shivir was a

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mobile mini secretariat under which a functional team of district officers reached a centrally located village and established their office from where they discharged their functions for two days for a group of villages. Issue of certificates (domicile, caste, income, character, backward area, handicapped, etc.), issue of free travel passes, preparation of driving/conductor licences, preparation of copies of revenue records, attesting mutations, processing of loan applications, registration of employment, immunization, rectification of electricity bills etc. were undertaken during the camps.

The Ganganagar Experiment in Rajasthan, built upon the 'Ahmednagar experiment' by scaling down the traditional over-reliance on clerks minimized the need for the public to contact them. To achieve this, the 'single window' concept, supported by 'token system' was introduced. Separate windows were provided for judicial, revenue, copying, civil supply, rehabilitation and the district revenue account sections where applications were received and disposed of. Records management

was also given priority. The files were rearranged in gunny bags area-wise, subject-wise, and office-wise. Gunny bag-wise lists were kept in a bound register and on requisition, any file could be traced within two-three minutes. 'Level jumping' was introduced to accelerate the pace of disposal of papers. This resulted in the emergence of a responsive, accountable and result-oriented administration.

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Since 2005, individual efforts of the District Collectors have been recognised and awarded by the Department of Administrative Reforms and Public Grievances which has instituted awards like the Prime Minister's awards for Governance. Many such initiatives aim to provide citizen centric services like Lokvani in Sitapur district in Uttar Pradesh which aimed to redress citizens grievances, e-Seva in Andhra Pradesh, Participatory Scientific Watershed Management in Gujarat to name only a few. The most revolutionary among them is communitization of Public Institutions and Services in Nagaland.

New Concept of Service Delivery

In order to improve the management of public services so that they would be responsive to the needs of the population, the Government of Nagaland introduced a new concept of service delivery. The citizens themselves were to be responsible for the delivery of public services and directly involved in the collection of the fees and payments necessary to keep them running. Mr. R.S. Pandey, the Chief Secretary to Government of Nagaland conceptualized the initiative and coined the term "communitization" as a more effective means of conveying the concept underlying this initiative rather than using "decentralization." After the government's decision, rules for the communitization of different sectors – namely, education, health and power supply - were finalized by different committees constituted for this purpose. The active involvement of the political leadership, bureaucracy, civil society and the church in implementing this innovative and novel approach was a distinguishing feature of this initiative. As a result, to illustrate, in the Health Centers, the attendance and availability of doctors and health staff improved significantly (in the range of 90 per cent-100 per cent), unauthorized absence came down drastically (to near 0 per cent) and medicines of the required type and in the required quantity became available. The number of patients willing to visit, and be treated at the communitized village dispensaries, increased by 50-100 per cent.

These changes led to desirable qualitative outcomes like greater transparency, accountability, responsiveness, improved service levels and quality, enhanced citizen's role, active involvement and participation of stakeholders, facilitation of democratic processes and improved functioning of public institutions. The leveraging of social capital and reduced corruption were one of the major results of this initiative. Villagers started debating among themselves and then decided on what was good for them collectively, which resulted in a feeling of empowerment and a sense of greater satisfaction.

This increased the faith of the citizens in the working of public institutions, resulting in better service delivery in quality and quantity, such as in improved enrolment, attendance and performance of students in exams, timely vaccinations for children, etc. Ownership of the assets of the Government Schools, Hospitals etc. was transferred to the communities under the guidance and superintendence of the Committees. Resources too were transferred from the Government to the communities, both for Capital and Revenue expenditure.

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There have been other initiatives of State Governments to ensure stakeholder participation in order to improve the delivery of services. The Government of Delhi launched a unique scheme named Bhagidari which aimed to establish a dialogue between the stakeholders i.e. the Government Departments and citizens groups like Resident Welfare Associations (RWAs) and Market and Traders Associations (MTAs) in order to work out solutions to common civic problems.

Initiatives in Participatory Governance

There is now a growing realization that stakeholder participation is essential for the efficient delivery

of services to the people and for improving transparency, accountability and responsiveness in public services. Many of the flagship programmes envisage a role for people in the effective running of the programmes. Foremost among them is the Sarva Shiksha Abhiyan (SSA) under which Village Education Committees were constituted.

Village Education Committee

The Village Education Committee (VEC) under the Sarva Shiksha Abhiyan is responsible for the actual expenditure of funds available for maintenance, repair and teaching materials etc, and monitoring of teachers' and students' performance. It also develops the village level plans and annual work plans on education to reflect local needs. The presence of VECs and their role in community mobilization, monitoring and information dissemination contribute

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towards a public accountability system inbuilt into the SSA norms.

Village Health Sanitation & Nutrition Committees

National Rural Health Mission mandates the creation of Village Health Sanitation and Nutrition Committees (VHSNC) to build and maintain accountability mechanisms for community, health and nutrition services provided by the Government. It is to be a part of the self-governance structure of panchayati raj institutions. The VHSNC prepare health plans for the village which form a component of the district level health plan, and also have a direct role in monitoring the service at local level.

This realization that the administration can deliver effectively if people are viewed not just as beneficiaries of programmes but as equal partners in development has been further strengthened through a host of acts like the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, Panchayat (Extension to Scheduled Areas) Act and most recently, Right of People to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 which mandates the prior consent of affected families (80 per cent in case of private companies and 70 per cent in case of PPP projects) as a pre-requisite for land acquisition.

In the field of education, building on the experience of the Village Education Committees (VECs) people have been given an active role under the Right to Education Act 2009 which states that School Management Committees are to be constituted in which 50 per cent of the members are parents, of which at least 75 per cent are women. The functions of the School Management Committee under the Act include monitoring the working of the school; prepare and recommend school development plan; monitor the utilisation of the grants received from the appropriate Government. Under the Act, every School Management Committee shall prepare a School Development Plan which shall be the basis for the plans and grants to be made by the appropriate Government or local authority, as the case may be.

e-Governance Initiatives

E-Governance initiatives have, during the last decade or so, transformed the administrative landscape in the country. While in the past the Administration grappled with the issue of making the bureaucracy responsive to the needs of the people on one hand, and reducing the interface between the administration and the public on the other to reduce rent-seeking behaviour, ICT provided the ideal solution by speeding up governmental processes and increasing accountability and transparency in the government. A

number of e-Governance Initiatives have been taken up throughout the country. The Directorate of Electronically Deliverable Services of the Govt. of Andhra Pradesh was the trend-setter through its initiative of eSeva, making the government services directly and easily accessible to citizens through its single-stop integrated service centers set up under Public-Private-Partnership. eSeva provides citizen centric services by integrating Central Government, State

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Government, local Government and even commercial services delivery through a single counter.

Common Service Centres

Common Service Centres (CSC) is another Governance initiative of the Government of India which aims to provide access to information to rural citizens, delivery of public services for empowerment of socially disadvantaged people for inclusive growth; access to quality education / skill upgradation; access to cost efficient and quality health services etc.

Transparency and Accountability

Social Audit

Social audit is a tool which empowers ordinary citizens to turn into auditors. It is a process by which official records are reviewed to see whether the reported expenditure

reflects the money spent on the ground. Social audit reduces corruption, spreads awareness among people and ensures good governance. Social audit is an intrinsic part of MGNREGA.

The Right to Information Act 2005

The one initiative which has revolutionised the scenario and ensured that "citizen is king" is the Right to Information Act. Under the RTI any citizen may request information from a "public authority" which has to respond within thirty days. The public authority is also expected to computerise their records for wide dissemination to reduce the need of the citizens to seek the information formally.

Right to Public Service Delivery Act

Another path breaking measure has been the enactment of the Right to Public Service Delivery Acts guaranteeing the delivery of certain time bound services to the citizens which have been framed by a number of state governments. Madhya Pradesh has led the way, and now these Acts have been enacted by Jammu and

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Kashmir, Delhi, Rajasthan, Bihar, Uttar Pradesh, Uttarakhand, Himachal Pradesh and Punjab.

Summing Up

Participatory governance and stakeholder participation is the guiding principle for the administration and this was emphasised during the preparation of the approach paper for the 12th Five Year Plan when over 950 organizations were consulted. The plan was put on the website and Facebook to invite comments, so that people are consulted at the planning stage itself and the Plan

reflects the citizen's aspirations.

Many flagship scheme and legislation have provided for participatory governance. While the role of the Village Education Committee came in for criticism, in a study conducted by National Institute of Administrative Research, LBSNAA Mussoorie and sponsored by the Department of Administrative Reforms and Public Grievances, entitled "Social Accountability Mechanism," it was largely on account of the ignorance among the members about their roles and responsibilities. This clearly indicates the need for awareness creation and capacity building of the participants before any new responsibility is thrust upon them but does not detract from the basic idea of constituting VECs. The Right to Information Act(RTI) has been criticized on several occasions on the ground that it has been used frivolously or that the kind and quantum of information asked for is impossible to give within a span of thirty days. However, it is undeniable that the RTI has been path breaking and has changed the way the government works. It is also the most potent weapon available to the government servants to ensure that there is absolute transparency in decision making and that rules and procedures are followed scrupulously.

Earlier innovative measures like the 'File to Field' programme were undertaken to bring the administration to the doorstep of the people. Most of these innovative programmes remained islands of excellence which were seldom replicated across the state. Since the innovations were not upscaled their impact remained limited. The Department of Administrative Reforms and Public Grievances, by documenting and rewarding such innovations, has ensured that many of them will be replicated not just across the state but across the country. The innovations, in the past, focussed primarily on the efficient delivery of services. The IT revolution has changed all that. Information technology has changed the entire administrative landscape, by effectively eliminating the middleman and facilitating the online payment of dues etc. While the 'single window'

system of payment of taxes was hailed as a major reform, today online payment of taxes has changed the entire scenario and serpentine queues for payment of bills have become a thing of the past. Online application for admissions, online railway and flight reservations, online payment for income tax etc. has improved efficiency and is a boon to the citizens. Direct benefit transfer for beneficiary oriented programmes, is also an excellent initiative to curb corruption. Social audit has placed a potent weapon in the hands of the people to ensure accountability of public servants.

In the end, however, an enlightened and educated public is the best mechanism to enforce accountability and transparency in Government

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Endnotes

1 Mahatma Gandhi (Last Phase, Vol.II (1958)P.65)

2 Twelfth Five Year Plan. Volume 1 pg 286.

3 Twelfth Five Year Plan Vol1.pg.286.

4 Citizen's/ clients charter of the Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training pg. 3

5 Sevottam model pdf.darpg.gove.in

6 Compendium of Best Practices and Innovations in Public Administration. Success Stories from the Winners and Finalists of the 2008 United Nations Public Services Awards, United Nations New York 2009 pg 62.   ❑

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CIVIL SERVICES PRELIMINARY EXAMINATION

PAPER-I

968   Indian Polity

A353   The Constitution of India

PAPER-II

A1088   Civil Services Aptitude Test

A1086   Logical Reasoning and Analytical Ability

A1079   Interpretation of Data and Data Sufficiency

A1097   Basic Numeracy

A635   Quantitative Aptitude

A647   General Intelligence & Test of Reasoning (Verbal & Non-Verbal)

A655   General Mental Ability and Reasoning (Verbal & Non-Verbal)

A676   Test of Reasoning and Numerical Ability

960   Objective English

Code: 968

Code: A353

Code: A1079

Code: A1086

Code: A655

Code: A1088

Code: 960

For Main Examination

Code: 062

Code: 795

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Code: 2154

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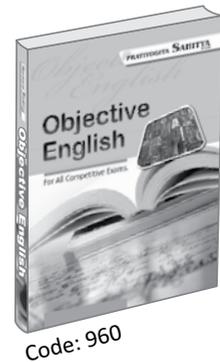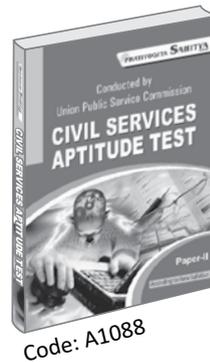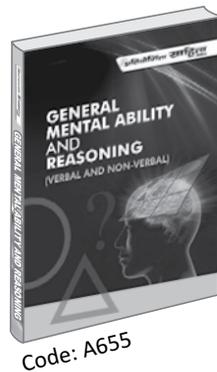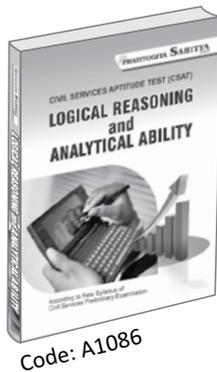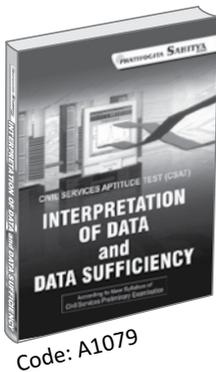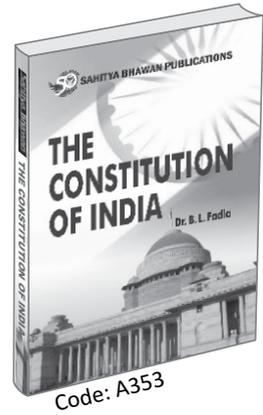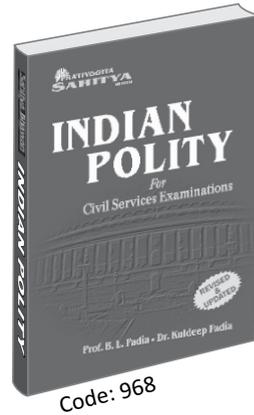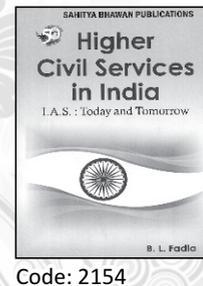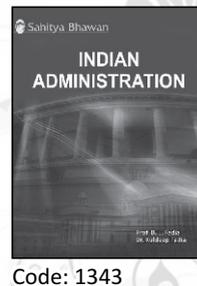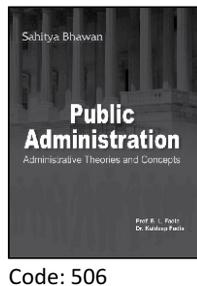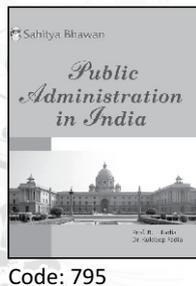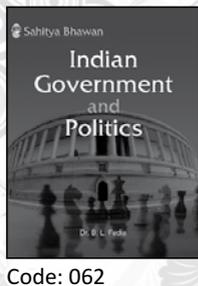
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YE-257/2013

Administrative Reforms: An Assessment

Dolly Arora

It is important to work towards a resolution to ensure that the imperatives of democracy are not compromised and administrative spaces remain relevant to their effective realisation so that both reforms processes and reforms outcomes are as inclusive and citizen-centric as possible

THE INSTITUTION of an efficient, effective and responsive administrative system is crucial to the delivery of democratic mandate in any political system. Having adopted a Parliamentary form of government, India opted for continuity with the civil service system that existed during the British rule. The federal framework implied that States would have their own administrative arrangements. The all-India services were expected to provide an administrative basis for the unity of the country that had a complex socio-cultural terrain and multiple forms of diversity. The civil service system was to be characterised by constitutional protection, political neutrality, permanence, anonymity and merit based recruitment. Despite all care, the administrative system, however, came to reflect the attributes of the colonial system, meant to cater to law and order needs, rather than the democratic aspirations of public to shape and share the destiny of the nation and attain the goals of development for all.

The Road to Reforms

Widespread corruption, inefficiency, lack of responsiveness, accountability, social prejudice and ineffective administration became a source of rising discontent with administration among the general public. The political rulers in search of explanations for policy and development failure also found some hope in administrative reforms. From the initial efforts to the present times, there have been about fifty Commissions and Committees at the Union Government level which looked into the possibilities of administrative reforms.

The initial phase of reforms sought to prepare bureaucracy to understand its responsibilities, develop capacity and offer an administration that could deliver development. Administration in this phase was seen as capable of offering development and welfare goals and the challenge involved creation of appropriate structures and administrative capacity to address the challenge of delivery. The First Administrative Reforms Commission, set up in 1966 to take a comprehensive look at the administrative reforms, gave several recommendations regarding the organization and functioning of ministries and departments and the introduction of civil service reforms. Since the responsibility for recommending acceptance or rejection of the recommendations was placed on the concerned departments and the committee of secretaries was to review and take decisions in the light of the recommendations of these Departments, most of these remained

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largely unimplemented. From 1980s onwards, one observes a distinct trend towards seeking remedies for the problems of administration through economic and management perspective. The Economic Administration Reforms Commission Reports, 1983 emphasised reduction of government responsibilities, the Reports of the Expenditure Reforms Commission, 2000, recommended downsizing to reduce expenditure on government.The Fifth and Sixth Pay Commission Reports recommended employment reduction in Government of India over the years,

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by restructuring and right sizing through decentralization of functions to state and local government as well as by entrusting the functions undertaken by government to civil society organisations or autonomous bodies and contract employment to change the character of public service that have been significant in shaping this changing discourse on administrative reforms. The Surendra Nath Committee Report, 2003, and Committee on Civil Services Reforms, 2004, also adhered to this line of thinking, while dwelling on Civil Service reforms.

During this phase, concern for providing a transparent and accountable administration and improving service delivery to the citizens also came to the centre-stage of reforms discourse. Political relevance of commitment to making administration citizen-centric, responsive and accountable became evident and an Action Plan was adopted at the Conference of Chief Ministers in 1997 for making administration accountable and citizen-friendly, ensuring transparency and right to information and taking measures to motivate civil services. The period that followed, saw some important initiatives in these directions–Citizen Charters, Information and Facilitation Counters, Public Greivance Redressal Mechanisms, Sevottam, etc. This was followed by the Right to Information legislation and its mechanisms, social audit mechanisms, Results Framework documents and performance measures. The Second Administrative Reforms Commission in its fifteen reports also gave wide ranging recommendations regarding reforms covering structures, organisations, policies and processes that need to be introduced for improved administration.

As one looks at the reforms initiated in the recent years, three important dimensions of these can be delineated. One, involving the reorganization of institutional jurisdictions across state, market and civil society and the consequent emphasis on governance rather than government to ensure the delivery of developmental goals; two, the reconfiguration of administrative state and its underlying logic; and three, reinstitution of citizen spaces. The first dimension of reforms attempted to take away some responsibilities from public administration and assign these to non-state entities, thereby, altering the nature of administration's responsibilities in some spheres. These bear the influence of public management thrust; the second dimension sought to alter the organizational and procedural dimensions of administration as well as the conditions and capacities of administration; and the third one sought to bring about a change in the citizen's experiences of administration by increasing the opportunities for participation.

The functioning of the administrative state that remains relevant after horizontal diffusion of responsibilities in favour of private sector and civil society has been influenced by somewhat contradictory imperatives, in the direction of decentralization on the one hand, and greater top down control within government at both organizational and institutional level

In order to assess the effectiveness and impact of administrative reforms initiated over the last two decades or so, it is important to place the various initiatives in a citizen-centric perspective. The key question is how far these reforms have reduced corruption, inefficiency, ineffectiveness of administration and how far these have eased and improved citizen experiences with administration.

on the other. Reduction of everyday interference in the functioning of public sector organisations, evolving networking mechanisms through the use of ICT, defining performance standards in terms of MoUs and Results Framework Documents, incentivising performance through recognition and awards- E-governance awards, ranking of organizations based on RFD achievements etc. have been attempted to effect a change in the functioning of administration.

Assessing Effectiveness and Impact

In order to assess the effectiveness and impact of administrative reforms initiated over the last two decades or so, it is important to place the various initiatives in a citizen-centric perspective. The key

question is, how far these reforms have reduced corruption, inefficiency, ineffectiveness of administration and how far these have eased and improved citizen experiences with the administration. In this connection, the following observations are in order.

First, the accent on downsizing, the talk of right sizing and redeployment not withstanding, needs to be placed alongside the reality of growing administrative void that is visible in many parts of the country at the micro-level, for this makes administration of development policies, programs and schemes difficult to implement

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effectively, not to mention produce the desired outcomes. As one moves downwards towards district, block and Panchayat levels, one finds that even when state is still relevant, the local level administrative functionaries are either non-existent or over-burdened and therefore, often not available for effectively administering the significant policies and programmes. Many of these positions lie vacant

for long periods of time. Under these circumstances, the micro-level reality is bound to deliver program failure.

Second, efforts at greater efficiencies and effectiveness through ICT based networking did improve access to services in many areas and contributed to citizen satisfaction as several documents could be downloaded from the web and many transactions were also possible through this mechanism. Several innovative practices using information technology have also been adopted in specific local contexts or in specific organizations, and many of these have shown significant results in simplification/ systematization and streamlining of procedures aided by computerization and improving access. However, where issues of delivery have been complex, these were difficult to resolve and ICT interventions proved too simplistic to deliver. Further, as admitted in the mid-term review of Eleventh Plan, technology initiatives in India have largely concentrated on the back-end, automating the internal functioning of departments and processes, rather than on improving service delivery for people. Focused on applications rather than on information flows, these have been adapted to the existing design, built to handle the specific needs of specific departments lacking portability outside the projects for which they have been developed, and not suited for achieving expansion and scale. As a result, departments and states are forced to repeat earlier efforts and mistakes in their e-governance initiatives. The lack of emphasis on scale and portability has created, it points out, a preponderance of 'showcase' projects or pilot implementations by governments that fail to take off due to their successes being limited to small, controlled environments. The overall context of poverty, lack of education and poor infrastructure also continues to be a challenge for equity in access. Present situation, nevertheless, is an improvement upon the earlier one.

Third, initiatives like Citizens

Charters remained a top-down exercise, which failed either to engage with citizens to develop precise standards and timelines or increase organizational commitments to deliver without a compensation provision for the citizen. Citizens Charters, in fact, never took off as most organizations did not develop any organic relationship with the Charter. IFCs remained confined to the periphery of the organization and short of resources, manpower and capacity to deliver, these eventually became a dumping ground for the staff that was to be sidelined from the main responsibilities. In the context of RTI law and the architecture created for its implementation, these have also lost their relevance in the present form.[3] Grievance Redressal mechanisms have been set up but failed to deliver much citizen satisfaction, not only in the absence of adequate vesting of authority in the grievance redress mechanism, but also because of their failure to build trust and actually invite citizens to seek redressal. The

it is important to mention Social audit mechanisms and Right to Information legislation. These have indeed been extremely important instruments aimed at introducing transparency and accountability. These have provided an important mechanism to people to monitor and evaluate the working of government, especially at the local level and thereby contribute to improvements in administration.

inability to take care of the location factor in instituting these mechanisms also affected their effectiveness and outreach, reducing them to largely a superficial and symbolic position.[4]

Fourth, accountability mechanisms like the performance management system based on Results Framework Documents do appear to have generated some pressure on government departments to deliver efficiency and

effectiveness by infusing some concern in the organizations to plan and assess the performance along measurable standards, which they themselves define. However, a cause for worry is that these documents often reflect the immediate organizational concerns rather than citizen's expectations.

Fifth, among the most significant initiatives of recent times, it is important to mention Social audit mechanisms and Right to Information legislation. These have indeed been extremely important instruments aimed at introducing transparency and accountability. These have provided an important mechanism for people to monitor and evaluate the working of government, especially at the local level and thereby contribute to improvements in administration. These initiatives need to be extended to other spheres like the public distribution system in order to link up the issue with social needs and administrative reforms.[5] The pressure for the adoption of a strong Lok Pal legislation to handle the challenge of administrative corruption, and its becoming a major issue in Delhi State elections reflects that discussions on administrative reforms can no longer be confined within the folds of experts committees as they the have become a matter of intense public debates and protests. Corruption has remained the most difficult of all the problems facing India which affects all aspects of administration and the everyday lives of people. It calls for more

systematic efforts towards not only making the administrative processes and practices corruption proof and making detection and remedial action certain and fast, but also ensuring mechanisms through which corruption issues are demystified and the administrative environment does not provide space for these.

Inclusive and Citizen-centric Reforms needed

A careful analysis of the various strands of reforms attempted in recent years clearly suggests that these represent a bundle of remedies meant to pacify the diverse concerns of competing interests without resolving their underlying contradictions. While, there is a strong thrust towards strengthening the position of citizens through an expansion of participatory spaces, there is also an evidence of increasing marginalisation of the poor on account of reduced commitments of state intervention in many spheres. 'Reforms' discourse in India has, in fact, been shaped by the somewhat competing claims of new public management and democratic strivings, evident in concerns for efficiency, effectiveness and autonomy on one hand and access, equity, citizen-centricity and accountability on the other. It is important to work towards a resolution to ensure that the imperatives of democracy are not compromised and administrative spaces remain relevant to their effective realisation so that

both the reforms processes and the reforms outcomes are as inclusive and citizen-centric as possible.

Endnotes

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Increased Power Generation

❖ Power Generation Increases by 3,24,316 Million Units in the Last Nine Years
❖ Annual capacity addition increased from 3,948 MW in 2004-05 to 20,660 MW during 2012-2013
❖ Per capita electricity consumption increased from 559 kWh to 813 kWh
❖ More than two crore BPL households get free electricity connection

Telephone Connections in Rural Areas

❖ More than 35 crore Telephone Connections in Rural Areas
❖ Rural teledensity increased more than 25 times from 1.57% in 2004 to 42% in 2013
❖ One of the lowest telecom call rates in the world
❖ Internet connections now reaching 48 crore people; Broadband to reach 2.5 lakh villages by 2014

J&K WINDOW

101ST INDIAN SCIENCE CONGRESS

The 101st Indian Science Congress was conducted in Jammu University from 3rd to 7th February 2014. This year's theme was "Innovations in Science and Technology for Inclusive Development". The Prime Minister inaugurated the event on February 3rd. This congress was a 5-day long event and had 14 Sections & Sessions, 24 Plenary Sessions, 67 Special Lectures, Science Communicator's Meet, Science Exhibition Vision Expo 2020, Children's Science Congress and Women's Science Congress. The special attraction was the Rural Innovations Exhibition to encourage and promote the innovations in science. It was followed by a Special Symposium on Science & Technology Imperatives & Opportunities for Sustainable Development in Jammu & Kashmir. The Vice President released a book titled "Contemporary Biopsychological Aspects in the era of Science and Technology" authored by the Indian Science Congress General President, Professor R.C. Sobti. He also presented the 'Young Scientists Awards' and the 'Best Poster Awards'. ❑

SKILL UPGRADATION SCHEME BY TEXTILE MINISTRY

Under the Integrated Skill Development Scheme (ISDS), by the Ministry of Textiles, 4260 youth will be imparted skill upgradation at a total cost of Rs.9.24 crores during the 12th Five Year Plan under Component 1, in which the Centre will contribute a share of Rs.4.26 crore (Rs.10,000 per trainee) and the Capital Expenditure in excess of 25 per cent will be borne by the Implementing Agency i.e. Indian Institute of Carpet Technology (IICT). This is being done to improve the employability of the youth in the Industrial sector. ❑

GPS ENABLED AMBULANCES, HELPLINE LAUNCHED

Laying focus on the health schemes under National Rural Health Mission, 800 ambulances have been made "GPS-enabled" in the state to watch the movement of every referral vehicle in the state. Also, a round-the-clock helpline with a toll-free number '102' has been launched which the patients can call to avail the medical facilities. There will be one Control Room in each District Hospital to look after the requirements. Its services would primarily focus on providing medical care during health emergencies, accidents especially maternal and childcare health emergencies. ❑

SAFFRON CULTIVATION MISSION

To encourage and promote the Saffron cultivation in Chadoora in Badgam district of Kashmir, more than Rs. one crore of rupees have been distributed among the Saffron cultivators under a centrally sponsored scheme for promotion of Saffron cultivation. Over Rs. 3 crores have been disbursed by the Centre from time to time during the last three years under the "Saffron Mission" for the registered Saffron growers by distributing improved and quality seeds and spreading awareness about the latest and sophisticated technologies to cultivate good quality Saffron. ❑

Innovation Hubs

The Central Government proposes to set up 60 Innovation Hubs with an average funding of Rupees 1.2 crore per hub, during the 12th Five Year Plan period. It has already established five Innovation Hubs in Kolkata, New Delhi, Bangalore, Mumbai and Guwahati as a part of this programme.

The purpose of creating Innovation Hubs in Science Centers, schools and colleges is to promote innovation, creativity and engagement in science by fostering 'problem and project based learning' among students. These Hubs are likely to redefine the use of Science Centers and Museums and foster a culture of innovation and creativity in society.

Manual Paddy Transplanter

FACING LABOUR scarcity for transplanting paddy seedlings in the field, Ranjit Mirig (60) developed a manual paddy transplanter to do the same. He developed the first prototype in 1986 and kept on modifying it till he could develop a successful model in 2008. Facilitated by NIF, the transplanter has been further modified with the help of IIT Kharagpur.

Ranjit Mirig was born in a poor Dalit farming family and could not study much because of financial problems. In 1986, after many years of trouble in dealing with farm labourers for rice cultivation, he decided to make a machine that can help him be independent. He was tired of labour costs, difficult labour management and unfair demands from labourers. He started work on a paddy transplanter then. It took him over 25 years to come up with a satisfactorily working model and the journey has been tough. In one of his poetic moments, he says,

"Panth hai pathreela, jaana hai door.

Pau ka chala gir jaaye per jaana hai zaroor."

(The path is rocky, the destination is far. My feet may hurt but I cannot stop.)

When he started working on the paddy transplanter, he could not believe that Indian scientists had sent successful space missions but no one had been able to make a proper paddy transplanter for Indian farmers. This inspired him to work on this problem.

Paddy Transplanter Machine

The manual paddy transplanter requires two persons for its operation. One person is needed to pull the machine while another for cranking the handle in order to provide drive to seedlings' trays and fingers, which place the seedling in the soil bed. The machine can transplant five rows while maintaining row to row spacing of about 18 cm and plant to plant spacing of about 15 cm. It has a field capacity of 0.3 acre/h. When tested at IIT Kharagpur, which NIF facilitated, it was found to consume less than one-seventh of the time required for manual plantation and double the time needed by a self propelled machine to cover the same area.

The conventional way of transplanting rice seedling requires standing in water for a long time, leading to skin infections. This innovation significantly lowers the time required for transplanting rice seedlings and hence, reduces chances of getting skin infections.

Ranjit Mirig hopes that this machine will alleviate Indian farmers' problems and bring happiness to them. He wants his grandchildren to take the machine forward. And his doting grandchildren are very enthusiastic about it. All of them have contributed in their own small way to get Ranjit where he is today.

He is grateful to his family for supporting him all the way.. But he has painful memories of how the villagers treated him, calling him crazy and often ostracising him.. After a slight grimace, his face beams again as he announces, "As much as people have wronged me, God has done me right!" He believes the biggest proof of this is the respect and recognition he has found from all corners. ❑

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Village Resource Centres

To demonstrate the potential of satellite technology for development of rural areas, Indian Space Research Organisation (ISRO) has so far set up 456 Village Resource Centres (VRCs), on a pilot scale, in association with selected NGOs, Trusts and State Government Departments. The number of VRCs set up, state/Union Territory wise are as follows: Andhra Pradesh (17); Assam (13); Bihar (19); Delhi (2); Gujarat (10); Jharkhand (26); Himachal Pradesh (30); Karnataka (58); Kerala (21); Madhya Pradesh (24); Maharashtra (18); Meghalaya (1); Nagaland (8); Orissa (44); Puducherry (9); Rajasthan (21); Sikkim (19); Tamil Nadu (54); Uttarakhand (18); Uttar Pradesh (30); West Bengal (10) and Andaman & Nicobar Islands (4).

Village Resource Centres have provided various space technology enabled services such as tele-healthcare, tele-education, natural resources information etc.. The major benefits of the VRC programme include advisories related to agriculture like crop pest and diseases, fertilizer/pesticides, organic farming, crop insurance etc.; live stock/poultry, career guidance to rural students, skill development and vocational training etc., to the rural population. Establishing new VRCs is an ongoing process and the same is carried out based on communication technology needs, funds available, proposals received from State Governments/NGOs etc.

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