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Public Administration (Karnataka State Law University)

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Module I
Unit 1

1

AN INTRODUCTION TO PUBLIC ADMINSTRATION

Meaning & Scope

Unit Structure -

0.1 Introduction
0.2 Definition of Public Adminstration
0.3 Scope of Public Adminstration
0.4 Role and Importance of Public Adminstration.
0.5 Unit End Questions

OBJECTIVE

Public Adminstration is an activity as old as human civilization. In modern age it became the dominant factor of life. To Study about meaning, scope and importance of Public Adminstration is the main objective of this unit.

1.1 INTRODUCTION

Public Adminstration as independent Subject of a social science has recent origin. Traditionly Public Adminstration was considered as a part of political science. But in Modern age the nature of state-under went change and it became from police stale to social service state. As a consequence, the Public Adminstration, irrespective of the nature of the political system, has become the dominant factor of life. The modern political system is essentially 'bureaucratic' and characterised by the rule of officials. Hence modern democracy has been described as 'executive democracy' or 'bupeaucratic democracy'. The adminstrative branch, described as civil service or bureaucracy is the most significant component of governmental machinery of the state.

1.2 Meaning of Public Adminstration :-

Administer is a English word, which is originated from the Latin word 'ad' and 'ministrare'. It means to serve or to manage. Adminstration means mangement of affairs, public or private.

Various definitions of Public Adminstration are as follows-

1.2.1 : Prof. Woodrow Wilson, the pioneer of the social science of Public Adminstration says in his book 'The study of Public

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Adminstration', published in 1887 "Public Adminstration is a detailed and systematic application of law."

1.2.2 : According to L. D. White "Public Adminstration consists of all those operations having for their purpose the fulfilment of public policy as declared by authority." Both above definitions are done from traditional viewpoint and related only to the functions and actions of Adminstration.

Following thinkers have taken a broard view while defining Public Adminstration -

1.2.3: According to Simon - "By Public Adminstration is meant the activities of the executive branches of the national, state, & local governments."

According to Willough - "Public Adminstration in broadest sense denotes the work involved in the actual conduct of governmental affairs, and in narrowest senses denotes the operations of the administrative branch only."

1.2.4 : According to Gullick -
"Public Adminstration is that part of the science of administration which has to do with government and thus, concerns itself primarily with the executive branch where the work of the government is done."

1.2.5 : According to Waldo -
"Public Adminstration is the art and science of mangement as applied to the affairs of the state."

1.2.6 : Marshall E. Dimock -
"Administration is concerned with 'what' and 'How' of the government. The what is the subjectmatter, the technical knowledge of afield which enables the administrator to perform his tasks. The 'How' is the technique of management according to which co-operative programmes are carried to success."

2.2.7 : Conclusion :-
All above modern definitions of Public Adminstration emphasize the value based character of Public Adminstration and Public Adminstration as a science and art of administration. A close scrutin of the definitions reveal that Public Adminstration has following important characteristics or features.

1.2.8 : Important characteristics of Public Adminstration :-
1. It is part of executive branch of government.
2. It is related with the activities of the state.
3. It carries out the public policies.
4. It realise the aspirations of the people as formulated and

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expressed in the laws.
5. Waldo and other thinkers insist on the commitment and dedication to the well being of the people. Otherwise Public Adminstration behaves in a mechanical, impersonal and inhuman way.
6. Public Adminstration is politically neutral.

1.3 : SCOPE OF PUBLIC ADMINSTRATION

1.3.1 Introduction :-
The views of L.D. White and traditionalist on the one hand and those of Gullick and the scientific management school on the other hand differ regarding the nature and scope of Public Adminstration. Hence, we should understand verious perspectives about the scope of Public Adminstration.

Scope :-
Following are the three important perspectives about the scope of Public Adminstration.
1. Narrow perspective or posdcord perspective.
2. Broad perspective or subjectmatter view.
3. Prevailing view.

1.3.3 : Narrow perspective or posdcord perspective -
Luther Gullick is the main exponent of this perspective. According to him the scope of public administration is narrow or limited. It is also regarded as posdcord view. It insist that the Public Adminstration is concerned only with those aspects of administration which are related with the executive branch and its seven types of administrative functions.

These seven types of functions which shows the scope of Public Adminstration are as follows -

1. ‘P’ stands for planning
2. ‘O’ stands for organization
3. ‘S’ stands for staffing.
4. ‘D’ stands for Directing.
5. ‘Co.’ stands for Co-ordination.
6. ‘R’ stands for Reporting
7. ‘B’ stands for Budgeting

1. ‘P’ stands for Planning -
Planning is the first step of Public Adminstration. i.e. working out the broad outline of the things that need to be done.

2. ‘O’ stands for organization -
It means establishment of the formal structure of authority through which the work is sub-divided, arranged and co-ordinated for the defined objective.

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3. 'S' stands for staffing -
It means the recruitment and training of the staff and maintenance of favourable conditions of work for the staff.

4. 'D' stands for Directing -
It means the continuous task of making decisions and embodying them in specific and general orders and instructions, and thus guiding the enterprise.

5. 'Co' stands for Co-ordination -
It means interrelating the various parts of organization such as branches, divisions, sections of the work and elimination of overlapping.

6. 'R' stands for Reporting -
It means informing the authority to whom the executive is responsible as to what is going on.

7. 'B' stands for Budgeting -
It means accounting, fiscal planning and control.

Evaluation -
POSDCORB Perspective about the Scope of Public Adminstration is limited and narrow. It stressed on the tools of Public Adminstration. It does not show the substance of administration. It is a technique oriented perspective, not a subject oriented.

1.3.4 :
2. Broad perspective or subject - oriented perspective :-
Prof. Woodrow Wilson, L D While are main exponent of this perspective. They have taken a very broad approach about the scope of Public Adminstration.

According to them (A) Public Adminstration covers all three branches of the government. Legislative, Executive and Judicial and their interrelationship. Legislative organ makes the laws, Executive organ of the government implements the laws. and Judicial organ of the government interprets the laws. There is interrelationship between these three organs.

B) Scope of Public Adminstration is like a cooperative group. It consist of all from class one officer to class four employees.

C) Public Adminstration is a part of the political process. It has an important role in the formulation of public policy at all levels, from national to grassroot. It is closely associated with numerous private groups and individuals in providing services to the community. It has been influenced in recent years by the human relations approach.

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1.3.5 :
3. Prevailing view :-
Prevailing view divides the scope of Public Adminstration into two parts.-
1) Administrative theory
2) Applied administration

1. Adminstrative theory -
It includes the following aspects.

a) Organisational Theory -
The Structure, organization, functions and methods of all types of public authority engaged in administration, whether national, regional or local and executive.

b) Behaviour -
The functions of adminstrative authorities and the various methods appropriate to different types of functions. The various forms of control of administration.

c) Public Personal Adminstration -
The problems concerning personnel e.g. recruitment, training, promotion, retirement etc. and the problems relating to planning, research, information and public relation services.

2. Applied administration -
It includes the following aspects :-

a) Political functions -
It includes the executive - legislative relationship, administrative activities of the cabinet, the minister and permanent official relationship.

b) Legislative function -
It includes delegated legislation and the preparatory work done by the officials in connection with the drawing up of bills.

c) Financial functions -
It includes total financial administration from the preparation of the budget to its execution, accounting and audit etc.

d) Defence - Functions relating to military adminstration.

e) Educational function - It includes functions relating to educational administration.

f) Social welfare administration -
It includes the activities of the departments concerned with food; housing, social security and development activities.

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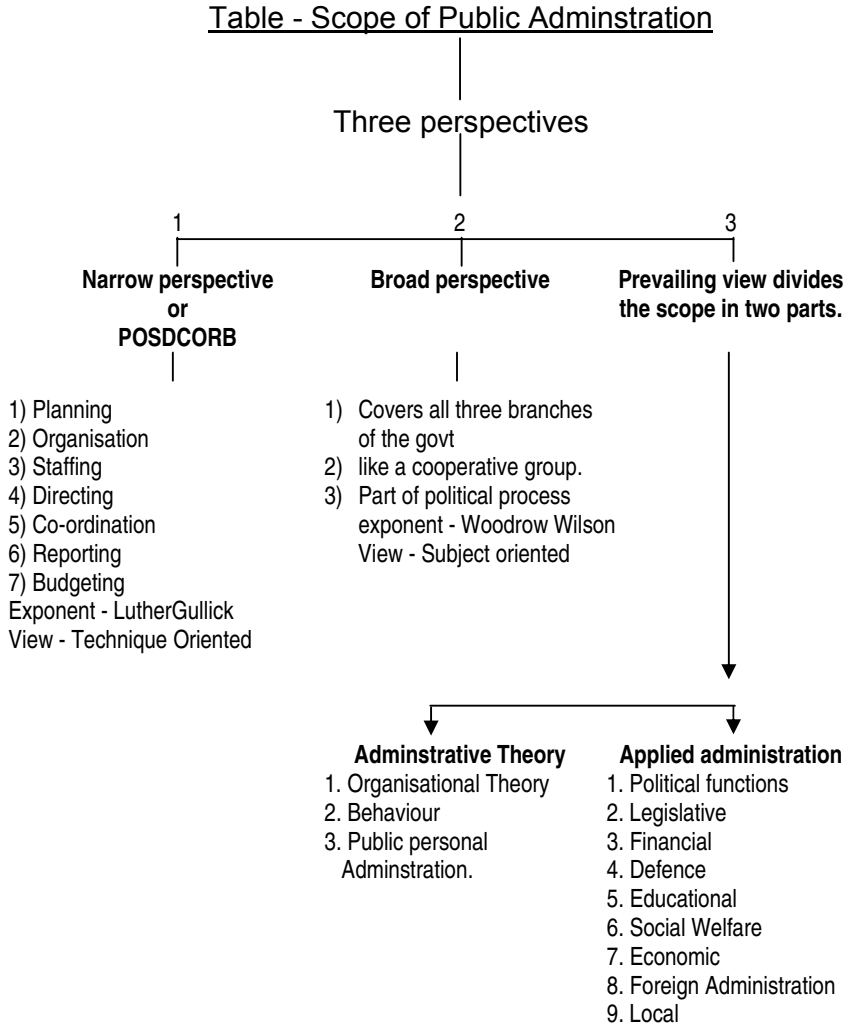
g) Economic Adminstration -
It is concerned with the production and encouragement of industries and agriculture.

h) Foreign administration -
It includes the conduct of foreign affairs, diplomacy, international cooperation etc.

i) Local administration -
It concern with the activities of the local self-governing institutions.

1.3.6 : Conclusion :-
The modern state cannot confine its field of activities to only maintenance of law and order, dispensation of justice, collection of revenue and taxes. The modern state is expected to provide more and more services and amenities to the people. This results in tremendous growth both in the governmental responsibilies as well as in the administrative machinery of the state. Naturally the scope of public administration is increased.

1.3.7 :



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1.7 : Role and Importance of Public Adminstration -

In todays modern state and in developing countries functions and role of Public Adminstration is very important. The role and importance of Public Adminstration are as follows.

1. It is the basis of government.
2. It is the instrument of change in the society.
3. It plays vital role in the life of the people.
4. It is an instrument for executing laws, policies, programmes of the state.
5. It is a stabilising force in the society as it provides continuity.
6. It is instrument of national integration in the developing countries which are facing classwars.

1. It is the basis of Government -

It is possible for a state to exist without a legislature or judiciary; but not even the most backward state can do without administrative machinery. The modern state cannot confine its field of activities to merely maintenance of law and order, dispensation of Justice, collection of revenue and taxes and participation in welfare activities. The modern welfare state is expected to provide more and more services and amenities to the people. Public Adminstration is the machinery used by the state to place itself in a position to make plans and programmes that can be carried out.

2. It is the instrument of change in the society -

Public Adminstration is regarded as an instrument of change and is expected to accelerate the process of development. In our country, the government has undertaken the task of levelling down the economic inequalities, spreading education among all abolishing untouchability securing equality of status, rights of women and effective and all round economic and industrial development. The burden of carrying out these social changes in a planned and orderly way rests upon the Public Adminstration of the country. The success of Indian democracy will depend not only on the wisdom of the legislature but more on the capability and sense of purpose on the part of the Adminstration.

3. It plays vital role in the life of the people -

Today every aspect of human life come within the range of Public Adminstration. Various departments of government such as education, social welfare, food, agriculture, health, sanitation, transport, communication etc. are run by the department of Public Adminstration. Thus Public Adminstration is rendering various types of services to the people from birth to death of an individuel.

4. It is a stabilizing force in the society as it provides continuity

Public Adminstration is carried on by the civil servants who are the permanent executives. Political executives i.e. ministers may come and go, systems of government or constitutions may under go change but administation goes on for ever. Hence, Public

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Adminstration is a great stabilising force in society. It is a preserver of the society and its culture.

5. It is instrument of national integration in the developing countries which are facing classwars –

Conclusion -
The success of governement is dependent on the ability of public administration. The future of civilized government rests upon the ability, to develop a service and philosophy and a practice of adminstration competent to discharge the Public functions of civilized society.

1.5 : QUESTIONS – UNIT END QUESTIONS

1. Define Public Adminstration and discuss its scope.
2. What is Public Adminstration? Examine its role in the modern state.
3. Write short notes -
   1) Importance of Public Adminstration
   2) POSBCORB

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Module 1
Unit 2

2

CHANGING NATURE OF PUBLIC ADMINISTRATION

Unit structure :-

2.0 Objective :-
2.1 Introduction
2.2 Changing nature of Public Administration
2.3 Comparative Public Administration
2.4 Development Administration
2.5 New Public Administration
2.6 Unit End Questions

2.0 OBJECTIVE

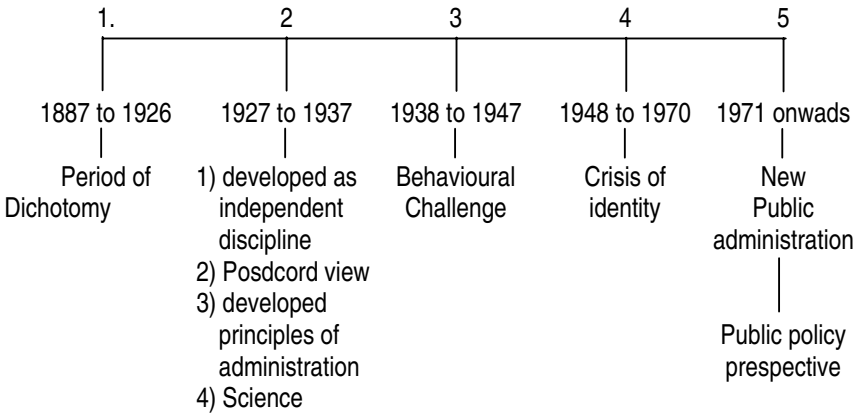
Today every aspect of human life is within the range of public administration. In that context we should understand the changing nature and new trends of Public Administration.

2.1 INTRODUCTION

Public Administration as an activity as old as human civilization. But as a social science theorization on public administration is very recent. In 1887, Woodrow wilson has written the book on "The Study of Public Administration", and laid the foundation of the science of Public Administration. After that it had underwent rapid transformation in its scope, nature and role. Avasthi and Maheshwari have divided the evolution of Public Administration into the following five phases.

2.2 Changing nature :-

It is divided into five phases.



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2.2 1. Phase I - 1887-1926 :-

About the changing nature of Public Administration, in this phase following changes came out -

a) Separation of Public Administration from political science
b) Public Administration is the visible side of Goverment.
c) Prof. Woodrow Wilson has given definition, nature, role and importance of Public Administration.
d) L. D. White has written the first textbook on the subject i.e. 'Introduction to the study of Public Administration.'

Prof. Woodrow Wilson is called the 'Father of Public Administration' because the genesis of the subject can be traced back to Wilson's book "The study of Public Administration" published in 1887. In this book he made a distraction between political - Science and Public Administration. Before this, it was treated as a branch of political science. Secondly, while commenting on the role of Public Administration, he said Administration is the most obvious part of government. It is government in action and the most visible side of the government. Hence, he defined "Public Administration as detailed and systematic application of law. It consists of all those operations having for their purpose the enforcement of public policy as declared by authority." He argued for a science of administration "Which shall seek to straighten the paths of government." Thus, Wilson had projected the dichotomy view, which was picked up by other writers.

In 1900, Frank J. Goodnow published his book "Politics and Administration". In his book he developed the wilsonian theme. He argued that "Politics and administration were two distinct functions of a government." According to him politics formulate the policies and administration execute these policies. Thus, Goodnow made a technical distinction between politics and administration.

In 1926, L. D. While published the first text-book on the subject. This book reflects the theme of dichotomy between politics and administration. He emphasized that politics and administration are to be kept separate. He also visualized involvement of administration in policy matters and through policy with politics.

Conclusion -

It may be seen that the dominant feature of the first period was a passionate belief in politics - administration dichotomy.

2.2.2. Phase II - 1927-1937 :

In the changing nature of public Administration this period can be called as principles of Administration and established the discipline of Public Administration as an independent science.

In 1927, W.F. Willough has written a book "Principles of Public Administration." The title of the book indicates the new thrust in

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thinking and established the subject as an independent science.

This period witnessed publication of a number of important works on this subject. The more important among them are -

1. Mary Parker Folleft's "Creative Experience"
2. Henri Fayol's "Industrial and General Mangement."
3. Mooney's "Principles of Organisation".
4. Luther Gulick "Science of Administration."

Gulick explained the principles of administration. These are seven principles known as POSDCORB.

Conclusion - Thus in this period subject acquired -
1) The Status of separate subject of social science
2) Secondly. It was considered, as the science of administration.
3) Developed the principles of administration and theories. These theories and principles were in great demand both in government and business.

2.2.3) Phase III - 1938-1947 :-
This period brought new changes in the nature of Public Administration
1. Some thinkers refuted politics administration dichotomy.
2. They challenged the claim of Public Administration as a science.
3. Emphasised the environmental effects on adminstrative behaviour.

While Public Administration Was taking shape as an independent discipline, C. I. Barnard, Simon, Robat Dahl challenged the claim of Public Administration as a science of administration. These thinkers disagrees with the stand taken by Gullick. Simon, in 1947 published his book "Administrative Behaviour". In that he said there is no such thing as principles of administration; what are paraded as 'Principles' are in truth no better than proverbs. There is lack of scientific validity and universal relevancy in Public Administration.

Robert Dahl emphasizes the need to take into account normative considerations, human behaviour and sociological factors while defining the parameters of public administration. He brought behaviouralism in Public Administration. He emphasised the environmental effects on administrative behaviour.

Conclusion - Hence this period is called as era of challange to Public Administration.

2.2.4. Phase IV - 1948 to 1970
Owing to the challenge posed by the behaviouralist, the discipline of Public Administration passed through the crisis of identity in the forth phase.

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Because pre 1947 viewpoint upheld the politics - administration dichotomy and the post 1947 view point adocated their fusion.

Pfiffner stated that politics and administration are so intermingled and confused that a clear distinction is difficult.

Kingsley saw Adminstration as a branch of Politics.

Paul Appleby upheld the fusion view, He said at higher levels administration is more generalised, takes on a greater poitical character and has a total governmental significance. At lower levels, it is less political and more particularistic.

1) Waldo in his Administrative State (1948) Widened the orientation of Public Administration to include policy issues and decision - making processes.

On the other hand, many political scientists began to argue that the true objective of Public Administration was "intellectualized understanding" of the executive. There was also a talk of continued 'dominion of political science over Public Administration.'

In Short, this period witnessed the spectacle of Political - Science not only letting Public Administration separate itself from it, but also not fostering and encouraging its growth and development within its own field.

Therefore, in the post world war II period, the credentials of Public Administration to being a science and a distinct discipline and apart from political, - Science were questioned. This led to the twin development of Public Administration being viewed as political science an also as an Administration science.

2.2.5. Fifth Phase 1971 onwards

In this period Public Administration registered great progress and enriched vision.

1. Focus on the dynamics of adminstration.
2. It is considered as inter-disciplinary.
3. Talk of New Public Administration
4. New trends emerged – in the subject of Public Administration i.e.

i) Comparative Administration
ii) Development Administration
iii) Market orientation - State and Market

1. Focus on the dynamics of administration -

It is focusing its attention on the dynamics of administration. It is also drawing heavily on the management sciences.

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2. It is considered as inter-disciplinary- Public Administration has attracted within its fold scholars from various disciplines and thus is becoming inter-disciplinery in its nature.

2.3. New trends :-

2.3. COMPARATIVE PUBLIC ADMINISTRATION

Fred Riggs is the father of Comparative Public Administration. In 1962 Fred Riggs in his article "Trends in comparative study of Public Administration," emphasised on following points :-

2.3.1) (A) Emphasised the need to study politico-administrative institutions in their Social settings.

After the second world war, the study of third world countries became a common subject of almost all social sciences. Scholars of comparative Public Administration analysed the question of administrative development to direct socio-economic change in cross - cultural contexts.

b) Hence Comparative Public Administration means cross-cultural and cross national study of Public Administration.

c) To understand impact of comparative Public Administration is necessary.

d) Fred Riggs pointed out three trends in the Comparative study of public administration.

1) From normative to empirical orientation.
2) From ideographic to nomothetic orientation
3) From non-ecological to ecological orientation

1) From normative to empirical orientation -
It means emphasis on the scientific methods, with a view to evolve the science of public Administration, Normative study stress on 'What ought to be' and Empirical study stress on 'What is'. In comparative Public Administration we study from 'What ought to be'' to 'What is'.

2. From ideographic to nomothetic orientation-
Ideographic orientation means study of one nation only or individualistic studies. e.g. concentration on the unique case or case study, the single country, the biography etc.

Nomothetic orientation means Universal studies. This approach seeks generalisations, laws hypotheses that assert regularities of behaviour, correlation with variables. In comparative public administration, we go from individualistic study to universal study.

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From non-ecological to ecological orientation -
The ecological orientation meant the study of the environment of the administrative system and interaction between the two. Administrative system operates within the political system and is also influenced by social and economic forces. Thus the political, social and economic factors constitute the 'environment' of the administrative system.

E) Comparative administrative studies have been conducted on three levels.

1	2	3
Macro studies	Middle Range studies	Micro studies

1. Macro studies
It means focus on the comparisons of whole administrative system. e.g. India and the United States in their ecological contexts. Generaly the relationship between an administrative system and its external environment are highlighted in the macro level studies.

2. Middle Range studies
It means studies are of specific aspects of administrative system. e.g. a comparison of local government in different countries.

3. Micro studies
It relates to an analysis of a part of an administrative system. e.g. the recruitment or training in two or more administrative organisations.

Thus the question of modernisation and developmental diversity in different systems are of great importance to the students of comparative public administration.

F) Ramesh Arora has summed up the elements of comparative public administration as under :-
1. Cross cultural Comparison
2. Developmental Dimensions
3. Ecological perspective
4. Goal orientation

1. Cross cultural comparison -
It means broad comparisons among administrative system of western and non-western countries.

2. Developmental Dimensions -
It means broad comparison of linkage with the question of modernisation.

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3. Ecological perspective -
It means comparative study of the interaction between the administrative system and their environment.

4. Goal orientation -
It means analysis of the unique goals of particular cultures in relation to their administrative system.

2.3.2 Importance of the study of comparative public administration :-

1. Provide a scientific basis and help for theory building.
Now it is believed that generalisations relating to administrative structures and behaviour emerging out of comparative studies in different nations and cultures can help informulating theoretical constructs which can provide a scientific basis to the study of public administration

2. Contributes to a greater understanding-
The study of comarative public administration contributes to a greater understanding of the individual characteristics of administrative system functioning in different nations and cultures. Besides, Comparative studies also help in explaining factors responsible for cross-national and cross-cultural similarities as well as difference in the administrative system.

3. Can understand impact of environmental factors on administration -
Through comparative analysis we can find out which important environmental factor help in the promotion of administrative effectiveness and which administrative structures function appropriately and successfully in what type of environmental settings. Accordingly we learn about the administrative practices followed in various nations and then we can try to adopt those practices which can fit in our own nations and systems.

4. Academic utility -
Scientific and systematic study of public administration is possible with the approach of comparative study. Appropriate administrative reforms and changes can be brought about in different nations.

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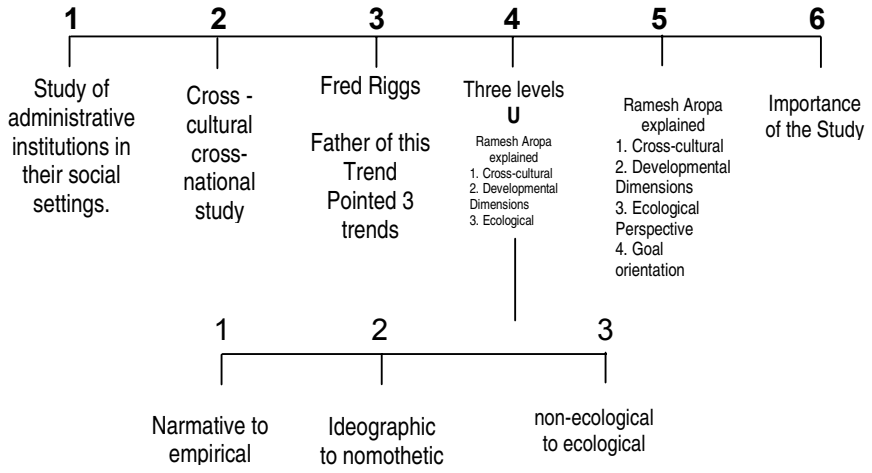
2.3.3 Table - Comparative Public Adminstration.



2.4 DEVELOPMENT ADMINISTRATION

The concept of Development Administration is a development of the post 1945 era. Following reasons are responsible for the emergence of this concept -

2.4.1 Reasons :

1. Emergence of newly independent developing countries.
2. Development schemes in the developing countries.
3. Establishment of comparative administration group in 1960

1. Emergence of newly independent developing countries :-
The traditional concept of public Administration as ‘law and order machinery or revenue administration underwent transformation with the emergence of the ‘Welfare state’ during the 20th century. Also It a was response to the emergence of the ‘Newly Independent states’ in Asia and Africa, These countries have problems of poverty, unemployment, illiteracy, malnutrition etc. In these countries, the government and its administrative machinery are looked upon as agents of change. The necessities have made the administration in developing countries development - oriented.

2. Development schemes in the developing countries :-
These developments have had a profound impact on the public administration. The concern with administration for development has compelled attempts to formulate a system of thought capable of integrating complex socio-economic and political systems hitherto considered to be outside the area of public administration. Further, most developing countries have realised that national development is essentially an integrated process of change. It is a dynamic process directed towards transforming the entire society, enmeshing its economic, social, political and administrative aspects, for an alround, balanced change.

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3. Establishment of comparative Administration group in 1960-
D. Waldo, Fred Riggs, Weidner were talk of New Public Adminstration. These scholars in 1968, in Minnibook conference, attempted to define public Administration anew. They focussed on the concept of development administration, in different ecological settings, operates in order to achieve a set of social goals.

2.4.2 Meaning and definitions of development administration :
Weidner stated that Development Administration means "an action-oriended and goal-oriented administrative systems." Weidner emphasised that the study of development administration can help to identify the conditions under which a maximum rate of development is sought and obtained. He contended that existing models for comparison were limited in their usefulness because they made inadquate provision for social change. He suggested development administration as a separate focus for research, the end being to relate different administrative roles, practices, organisational arrangements and procedures to the maximising of development objectives. Pai Panadikar identifies Development Administration with "administration of planned change."

2.4.3 Hallmarks of Development Administration :-

1. Change - oriented
2. Goal - Oriented and result oriented
3. Citizen participation in the administration
4. Commitment to development
5. integrated and holistic process

6. It has two sides – one is
development programmes and other is
Its implication

7. Its scope of Operation is wide.
8. Stress on planning
9. believes in decentralization.

1. Change - oriented
Development administration is change-oriented. Traditional administration which was oriented towards the maintenance of stability and statusquo. Hence, Pai Panandikar said development Administration means 'administration of planned change'. The planned development is intended to achieve specific results within the specified time.

2. Goal-oriented and result-oriented
It is result-oriented. It expects specific results and expresses in most areas clearcut norms of performance. Consequently, it would also be judged on the basis of results achieved.

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3. Citizen participation -
Development being a process of social and economic change, citizen participation in the task of administration is vital. The public servants must be able to carry the citizens with them and draw them activety into the developmental processes. To basic change in the outlook of the civil servants.

4. Commitment to development
Development administration requires a firm commitment, a sense of involvement and concern on the part of civil servants, if the goals of development are to be realised.

5. Integrated and holistic process -
Development administration is inter-related and holistic process of change. It refers to the structure, organisation and behaviour necessary for the implementation of schemes and programmes of socio-economic change undertaken by the governments of developing nations."

2.4.4 : 6. It has two sides -
Firstly, it refers to the administration of developmental programmes, the methods used by large-scale organizations, especially governments, to implement policies and plans designed to meet developmental goals.

Secondly, Development Administration involves the strengthening of administrative capabilities. These two aspects are intertwined in development administration.

7. Its scope of operation is wide -
Traditional public administration was limited to its function of maintaining law and order. But the scope of development administration is wider.

8. Stress on planning -
It is planned change. The administrative capabilities are strengthened to achieve developmental goals.

This objective is linked with planning. The planned development is intended to achieve specific results within the specified time.

9. Believes in decentralization -
Traditional administration believes in centralization. But Development administration believes in decentralization.

2.4.5 : Difference between traditional public administration and Development Administration :-

Development Administration -
1. change - oriented

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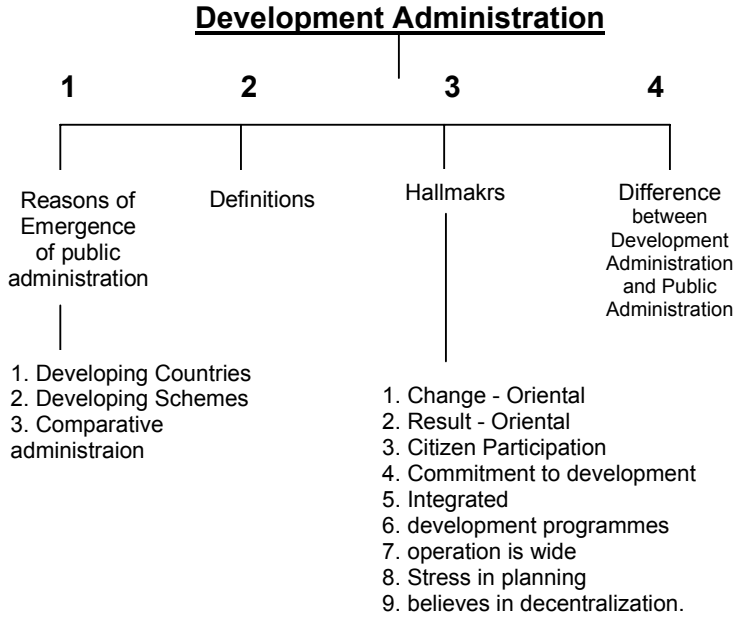
2. goal and result oriented
3. flexible and dynamic
4. Its objectives are complex and multiple
5. Concerned with new tasks.
6. believes in decentralization
7. stress on planning
8. Creative and innovative
9. Stress on participation of people

Traditional Public Administration
1. Status-quo oriented
2. emphasis on economy and efficiency
3. It is hierarchical and rigid.
4. Its objectives are simple and limited.
5. Concerned with routine operations.
6. believes in centralization.
7. Does not rely much on planning.
8. It resists organisational change.
9. Stress on directions from authority.

2.4.6 Conclusion :-
Though there is difference in public administration and Development administration, yet both are supplimentary to eachother. One cannot sustain in the absence of another.

2.4.7 Table :-



2.5 NEW PUBLIC ADMINISTRATION

Introduction :- In the evolution of Public Administration one more stage is the emergence of “New Public Administration.” During 1960s it was found that the science of Public Administration

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displayed unawareness of numerous socio-economic and political problems as well as its inadequacy to offer any solution to the problems.

2.5.1 : Emergence

In 1967, American Academy of political and social science organised a conference in Philedelphia. The topic was "The Theory and practice of Public Administration : Scope, objectives and methods." In this conference participants expressed their views and after discussion following points emerged -

1. Bureaucracy should be studied structurally as well as functionally.
2. Definition of the subject is as difficult as de-lineation of its scope.
3. A hierarchical view of organisational authority needs to be changed; administrators must view workers as "coordinates" rather than 'subordinates',
4. Policy and political considerations are replacing management concerns as the major focus of public Administration.
5. Future administrators should be trained in professional schools. Public Administration courses should emphasis not only Administrative organisation and procedures but also in interdisciplinary approach.
6. Public Administration has not been able to deal with societal problems.

Conclusion of the discussion was - Public Administration should be viewed as an acadmic discipline, as a field exercise and as administration in the public interest.

2.5.2 In 1968 in Minnowbrook conference Dwight Waldo expressed following points about new Public Administration.

1. What is the proper terrain of Public Administration?
2. What are the logics of inquiry appropriate to the tarrain?
3. What is the social relevance of knowledge in Public Administration?

In 1971, Frank Marini published a book 'Towards a new Public Administration' New Public Administration emphasis on the following themes :-

1. Rejected the value neutral view
2. Less generic and more public
3. Stress on social equity
4. Anti-bureaucratic, anti-hierachical, anti-technical.
5. Socially conscious and client oriented view.
6. Stress on Decentralization of administrative process.
7. Stress on qualitative transformation.

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1. Rejected the value neutral view -
The new Public Administration made clear its basic normative concern in administrative studies. It rejected the value neutral view taken by behavioural political science.

2. Less generic and more public -
New Public Administration stresses on innovation and change. Hence, it take more public and client oriented view.

3. Stress on Social equity -
The protagonists of new Public Administration state that the distributive functions and impact of governmental institutions should be Public Administration's basic concern. The purpose of public action should be the reduction of economic and social disparities and the enhancement of life opportunities for all social groups.

They take action-oriented stand and said that Public Administrators should work for the removal of the wrongs of society.

4. Anti-bureaucratic, anti-theoretic and anti-technical -
To serve the cause of social equity is to actively work for social change. The attack is on the status-quo and against the powerful interest entrenched in permanent institutions.

5. Take client-oriented and socially Conscious view -
In the third - world countries where Public Administration is in dire need of basic, qualitative transformation. New Public Administration displays an intense concern for relevant societal prob**lems.**

6. Stress on Decentralization of Administrative process -
New Public Administration give importance to Institutional pluralism. Functions, responsibilities should be distributed in many parts.

7. Stress on qualitative transformation -
It stresses ethics and values. It lays emphasis on change. The study of formal organisation, its structure and processes is of secondary importance to the new theorists.

According to this new approach the most important need of the times is to be alive to the contemporary issue and problems with a view to finding ways and means for their solution, and to have organisational change to suit the changing times.

2.5.3 Conclusion - Public Administration of the state will become more meaning and useful with this characteristics of new Public Administration.

Table - New Public Administration
1. Origin and development
2. Characteristics

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3. Conclusion

2.6 QUESTIONS

1. Trace the evolution of Public Administration.
2. Explain the changing nature of Public Administration.
3. Comment on any one of the new concept in the science of Public Administration.
4. Write short Notes.
   1. Comparative Administration
   2. Development Administration
   3. New Public Administration

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Module – 2
Unit 3

3

WORKING OF BUREAUCRACY

Theory of Bureaucracy - Max weber

Unit Structure :-
3.1.1 i) A brief life sketch of Max Weber
3.1.2 ii) Max Weber's writings & contribution to the field of state & Administration.
3.1.3 iii) Theory of Bureaucracy
3.1.4 iv) Model of Bureaucracy
3.1.5 v) Principles of Bureaucracy
3.1.6 vi) Appraisal & Criticism
3.1.7 vii) Conclusion / Let us sum up
3.1.8 viii) Glossary
3.1.9 Suggested Readings
3.1.10 Question Pattern

3.1 : Theory of Bureaucray : Max Weber (1864-1920)

3.0 OBJECTIVES

Public Administration has become an important branch of the modern Government. It is regarded as 'heart' of modern civilisation, also as 'backbone of states' machinery. Max Weber, a German Socilologist, in his analysis of Bureaucracy, had made Bureaucracy most important part of the study of Western Political Science.

In this unit, an attempt is made to describe the importance of Bureaucracy, 'a hierarchy of technical experts in Administration.' Max Weber closely studied the inseperable relationship between - Society & State. He understood the inevitability of Bureaucracy in modern society in modern state. He wrote on theory of Bureaucracy. Power, Authority & legitimacy. Weber also founded the modern sociological study of Bureaucracy. Weber suggested models of Bureaucracy & fundamental priniciples of Bureaucracy.

3.1.1. INTRODUCTION

Many social and political scientists have explained the concept of Bureaucracy. Max Weber's idea of state was that 'a state is a compulsory association which successfully claims a monopoly of legitimate use of force within a given territory.' State alone possesses power, authority & legitimacy. Weber concluded that it is the legitimate authority of state to exercise power over its people.

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Administration / Bureaucracy exercises its authority i.e. power of command. Max Webers idea of Bureaucracy is based upon his notion of 'rational legal authority.' Bureaucracy, therefore, should have certain definite organisational structures, principles & characteristics.
In this unit, Max Webers ideas on Bureaucracy are discussed.

3.1.2 Life sketch of Max Weber

Max Weber was a German lawyer; a politician, a historian, political Economist & Sociologist. He worked as professor of Economics. His most famous work relates to economic sociology, political sociology & the sociology of religion. Weber presented sociology as a science of human action Weber completed his doctoral dissertation on 'A Contribution to the History of Medieval Business organisation.' Weber wrote a number of papers on law, focussing the attention on social, political & economic factors, prevalent at the time. Weber insisted on analytical & systematic research work. He was progressive & practical. His writings reflect social conditions of Germany of his times. He worked at different places & gathered a variety of experience, which widened his vision. He died at the early age of fifty six, perhaps on threshold of the golden phase of his career. His name is more widely known after his death.

3.1.3 Max Weber's Writings & contribution to the field of Bureaucracy

Weber's most famous work is his essays on, 'economic Sociology', a book, 'sociology of Religion', 'The proletariat Ethic & the spirit of Capitalism.' Most of his writings were translated, into english & were published later on.

Being a sociologist, Weber understood, the importance of society. A state has a different role to play because state has power, authority & legitimacy. It has coercive power. Why do people obey? What constitutes the legitimacy of Power? Power turns into authority when it gains legitimacy. On the basis of these realistic assumptions, Max Weber wrote on Bureaucracy. He made a systematic study of Bureaucracy & its Characteristics. To him, Bureaucracy is an administrative body of appointed officials. Weber categorised Bureaucracy into - 1) Patrimonial Bureaucracy which is found in traditional & Charismatic type of authorities & legal rational Bureaucracy which is founded only in legal type of authority.

Weber claimed that Bureaucracy is a power elite, & owes it on its three assets; - expertise, information & access to secrets. This power of Bureaucracy makes all dependent on Bureaucracy. Without Bureaucracy, there would be chaos. Bureaucracy has certainly, precision & predictability. Weber insists on Bureaucracy as a technical instrument of Administration. Bureaucracy is not only

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technical instrument but is also social force, having effect on the values of society at large.

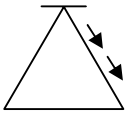
Max Weber was the first administrative thinker to study interrelationship between state & Society. As a scholar of Law, he understood the significance of power, authority & legitimacy. Having understood the importance of Bureaucracy, as viewed by Weber, it is necessary to understand his 'Theory of Bureaucracy.'

3. 4 WEBER'S 'THEORY OF BUREAUCRACY'

Max Weber viewed Bureaucracy from its structural characteristic. Such a structure, such an organisation has an authority, which is exercised by Bureaucracts. The Bureaucracts exercise their authority only because they hold public office. They excercise authority with well defined rules & regulations. Thus Bureaucracy is essentially an organisation, with definite rules, regulations, powers & functions. Weber developed his theory of Bureaucracy on its structural basis.

Weber's Bureaucracy is based upon legal-rational authority. The following are the basic features of his theory of Bureaucracy.

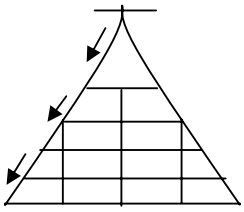
i) Bureaucratic organisation is based upon a well-defined hierarchy. Hierarchy, based on authority, has downward trends. Authority flows from upward to downward.



An organisation based upon hierarchy of authority.

ii) Bureaucratic organisation is divided between vertical & horizontal lines for division of work & functional specialisation. Every employee in the organisation has a well defined power & authority, based upon employee's specialisation & expertise.

Authority Head of the orgainisation



Division of work, functional specialisation.

iii) This Bureaucratic organisation functions within a framework of fixed rules? regulations. An employee, i.e. a Bureaucrat, has to function within this framework of rules & regulations.

iv) Such a Bureaucratic organisation specifies the duties & responibilities of Bureaucrats. Authority implies responsibility.

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v) Every Bureaucratic organisation functions with a specific procedure, laid down by the organisation. This procedure is laid down for performing their functions.

vi) The Bureaucrats. should be properly & scientifically selected. This enables efficiency of Bureaucracy. The Bureaucrats should be given periodic promotion on the basis of their technical competence.

vii) An employee in the organisation, obeys the authority. The rules, regulations are practiced & obeyed by Bureaucrats. The procedure of work is followed by employees.

viii) One of the unique features, suggested by Weber, is the impersonal approach of an employee, in the organisation. The interrelationship amongst the emplayees should be based upon impersonal approach. Every employee should function with impersonal approach, while performing duties.

3. 5 WEBERIAN MODEL OF BUREAUCRACY

Max Weber insisted on Bureaucracy with Authority. Max Weber classified Authority into three types as the following.

1) Legal Authority : A Legal authority in an organisation is found, where organisation functions with rules, which are followed judiciously, by every employee. Such rules have validity which is limited to the organisation. The authority of superior is defined & it is obeyed by the subordinates.

2) Traditional Authority. Such a traditional authority is derived from the past. A person may not have legal or formal authority, but he / she becomes master, by virtue of inherited status. The people obey & accept such an authority. Most of the long established customs & traditions lead to the emergence of such authority.

3. Charismatic Authority :
A person exercises power, due to extraordinary qualities, Charisma, heroism, magnetism, over a large section of people & people accept such a superiority.

Based upon the analysis of the types of Authority, Max Weber, classifies his Bureaucratic model, based upon ‘Legal Rational - Authority.’ Such an authority is obeyed by the people.

Weberian Model of Bureaucracy :
The legal rational model of Bureaucracy is essentially a governmental Bureaucracy, which has following characteristics :

i) The Bureaucracy functions continuously. It is permanent.

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ii) The Bureaucracy functions in accordance with definite rules & procedures. The power & authority is well defined, to ensure impersonal approach. The Authority brings corresponding resposibility. The authority cannot be beyond the official work of the organisation.

iii) Bureaucracy functions through proper division of work, authority flowing from top to down.

iv) A Bureaucrat should not misuse authority. Official business & private affairs should not be intermixed.

v) A Bureaucrat is responsible, accountable for the use of authority.

vi) A Bureaucrat cannot be appropriated by the incumbents as private property which can be sold or inherited.

Max Weber also described some of the qualities, necessary for a Bureaucrat. In his model of Bureaucracy, Weber underlines the following Characteristics of a Bureaucrat.

i) A Bureaucrat is appointed in an official position on the basis of contract. A Bureaucrat is not committed to a person but to the work.

ii) A Bureaucrat exercises authority with impersonal approach. A Bureaucrat should be legal & faithful in the performance of duties.

iii) A Bureaucrat should have technical expertise & competence.

iv) A Bureaucrat should be paid adequate salary, other benefits & opportunities of promotion.

Thus legal-rational model Bureaucracy of Weber, has the following elements :

i) impersonal order
ii) Rules & regulations
iii) Competence & expertise
iv) hierarchy
v) written rules & regulations.
vi) monocratic nature.

The main emphasis of weber was on careful selection of technically qualified people.

3. 6 PRINCIPLES OF BUREAUCRACY

The following becomes the important attributes / principles of Bureaucratic organisation.

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i) A permanent, rule bound conduct of official business.
ii) Technical competence of Bureaucrats.
iii) The organisation should be based upon hierarchy.
iv) The rules regulating the conduct of business should be technical and based on norms.
v) Complete seperation of office property & personal property.
vi) Complete absence of misuse of power & authority. Complete absence of appropriation of official position by the incumbent.
vii) formal & informal communication within the office.
viii) Bureaucracy is inevitable in modern state. Its legal authority can be exercised in a variety of ways.

To conclude, Weber insisted a Bureaucracy from a purely technical point of view. The legal rational authority is exercised over human beings. Bureaucracy is stable, efficient & superior to all kinds of administrative tasks.

3. 7. APPRAISAL & CRITICISM ON WEBER'S VIEW ON BUREAUCRACY

Appraisal :
Max weber was the first administrative thinker to have given considerable thought on Bureaucracy. Weber essentially believed in inevitability of Bureaucracy in a modern state. Weber threw light not on 'ideal Bureaucracy' but highlighted on, 'ideal type of Bureaucracy'. An efficient Bureaucracy is a precondition of economic development.

Max Weber knew that state alone possesses power, authority & legitimacy. To him, Bureaucracy has power & authority. Bureaucrats are power elites. It consists of superiors, technical experts having knowledge & experience.

Max Weber viewed Bureaucracy from organisational point of view. However he also described the qualities necessary for Bureaucracts. His advocacy for, 'impersonal approach' has relevance even today. In a corporate world of today, weber's ideas are still considered valid.

Criticium
Though noteworthy, Weber's idea of Bureaucracy has been criticised on certiain grounds. The first point of criticium is that Weber laid too much importance on Bureaucracy. In fact, Weber himself had not given a proper definition of Bureaucracy. It was, later on, regarded as a part of social science.

Weber gave more importance to organistional aspect of Bureaucracy. He did not consider the political social contexts, in which Bureaucracy operates. Bureaucracy cannot function

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independently without having consideration for social & political forces.

Weber associated power, authority & legitimacy with state / Bureaucracy. However, in a Democratic state, Bureaucracy comes under the direct control of Executive. Weber underestimated the role of legislatures, elected representatives, in exercising control over Bureaucracy.

In the era of privatisation, Liberalisation & globalisation, Govt. Bureaucracy, as advocated by weber, has less significance, rather than the times, when weber wrote on Bureaucracy.

3. 8. LET US SUM UP

The name of Max Weber, as a German sociologist, is remembered for his noteworth. contribution on –

a) power, Authority legitimacy b) types of authority c) organisational view point of Bureaucracy d) legal rational authority e) impersonal approach of Bureaucracts. No writings on Bureaucracy could be completed without a reference of weberian views on Bureaucracy.

While summing up, keep the following points in mind

i) Max Weber understood the power, authority & legitimacy of state.

ii) He classified authority in three types.

iii) Max Weber viewed Bureaucracy as power elite.

iv) He described Legal rational authority & had subscribed a model of legal rational authority.

v) His Theory of Bureaucracy is based upon the structure / organisation.

vi) Hierarchy, Rules, appointed officers, technical knowledge of officials, specialisation, Generalists & Specialists & impersonal approach of Bureaucracts, are some of the basic principles of his Theory of Bureaucracy.

vii) Max Weber has also discussed some of the qualities essential for Bureaucrats. He made a clear cut distinction between officials working in their official capacity & officials in their private affairs. The Bureaucrats should perform defined duties & should not misuse power.

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3.9 GLUSSARY

3.10 SUGGESTED READINGS

1) S. R. Maheshawari; Administrative Thinkers; MacMillan India Ltd, New Delhi, 1998.
3. www.google.com
4. www.wikipaedia

3.11. QUESTIONS

1) Describe Max Weber's Theory of Bureaucracy.
2) How has weber classified authority?
3) Discuss the principles of Bureaucratic organisation, laid down by weber.
4) Explain Max Weber's views on power, Authority & legitimacy.
5) What are the features of Weberian model of Bureaucracy?

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Module 2
Unit 4

4

WORKING OF BUREAUCRACY

4.2 : Decision Making - Herbert Simon

In this Unit, the following areas will be studied -

4.2.1. A brief life sketch of Herbert Simon
4.2.2. Herbert Simon's Writings & his contribtion in the areas of Administrative Behaviour & Decision Making
4.2.3. Herbert Simon on Decision Making
4.2.4. Herbert Simon on Rationality in Decision Making
4.2.5. Herbert Simon on Administrative Behaviour
4.2.6. Appraisal & Criticism
4.2.7. Conclusion / Let us Sum up
4.2.8. Glossary
4.2.9. Suggested Readings
4.2.10. Question pattern.

4.2.0 OBJECTIVES

As Public Administration has gained importance in the modern times, so has been the case of behaviour of administrators. Main contribution of Herbert Simon is that his views over administrative behaviour has gained worldwide recognition. His contribution is noteworthy in developing rationalistic theory of decision making. He focussed on the decision making capacity in Administration by pointing out three steps in decision making process. Simon insisted upon 'rationality' in the decision making process. Herbert Simon was awarded the Nobel Prize for Economics in 1978.

Max Weber & Herbert Simon had valuable contribution in the field of Administration / Bureaucracy. Max Weber had described the anatomy of organisation & Herbert Simon had described its physiology.

4.2.1 : INTRODUCTION

Herbert Simon was an American, a Noble prize winner, who had contributed to the decision making theory. His writings on - the decision making process & rationality in the decision making - are still considered as the pillars for private & public Administration. Herbert Simon's writings are mainly concerned with private organisations rather than public / Government sectors.

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Besides his contribution to decision making, Simon knew the wide use of computers, helpful to the head / executive, in modern times. Today, use of computers largely help the private as well as public sectors. In this chapter, an attempt is made to understand Simon's views on decision making theory.

4.2.1 A Brief Life sketch of Herbert Simon
Herbert Simon was born in 1916, in USA. He became an eminent American political & social Scientist. He did his Ph. D. in political science. He started his career in municipal government & then worked in various companies & organisations as an academician & as a consultant.

Simon was very much influenced by Follet's ideas on group dynamics in orgainsation, the human relations approach performed by Elton Mayo & others & by Barnard.

Though Simon was awarded Nobel Prize in Economics, he was not an economist. His work is mainly drawn from Administrative Behaviour, the study of decision making, bounded rationality & organisation as a human enterprise seeking internal & external equilibrium.

4.2.3 Herbert Simon's writings & his contribution in the areas of administrative behaviour & Decision Making.

Simon wrote a number of books, few are :
Administrative behaviour (1945), Public Administration (1950) Models of Man (1957), organisations (1958) Human Problem - Solving (1472), Models of Thought (2 volumes-1979 & 1989), Models of Bounded Rationlity (2 volumes - 1982) Reason in Human Affairs (1991)

Simon equates administration with decision making. He insisted upon how decisions are made, & how they be made more rationally & effectively. He suggested valid principles of Administration & now - how to apply these. He suggested empirical approach to the study of science of Administration. He proposed a new concept of Administration, based on theories & methodology.

Simon's decision making theory is the core of administrative action. His rationalistic Theory of Administration includes the concept of 'bounded rationality'. His book 'Administrative Behaviour' gained not only worldwide recognition, but it was also translated into twelve languages. In 1988, he again revised this book.

4.2.3. Herbert Simon on Dicision Making.

Herbert Simon's most valued contribution to administrative thought is his focus on decision making. He proposed a new concept of

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administration which is based upon purely factual statements in Administrative science. That is why he calls traditional concept of Administration as proverbs & myths. His concept of decision making becomes the core of administrative action.

Decision making is synonymous with management. He calls decision making as the heart of the organisation. 'Decision making is the' Vocabulary of administrative theory which should be derived from logic & psychology of human choice.

According to Simon, an organisation is a structure created for decision making. Decisions are made at all the levels of organisation. Every decision may affect less or more members within the organisation. Each decision, is based upon number of premises. The task of 'deciding' pervades the entire administrative organisation, quite as much as does the task of 'doing' - indeed, it is integrally tied up with the latter.

Three stages in the decision making process :
Simon divides the decision making process into three phases -

i) The first phase, he calls, intelligence activity. The head of the organisation tries to understand organisational environment in which decisions have to be taken. Intelligence activity is finding occasions to take decisions.

ii) The second phase, he calls, is design activity. A head of the organisation tries to identify all possible options before making a final decision. This involves time & energy of the head to think over the best possible alternative.

iii) The third phase, he calls, is choice activity. Fianlly a head chooses one of the selected options, which becomes adecision.

Though these three stages are described by Simon, he says that these phases may appear to be simple & one precedes the other, in practice, the sequence is more complex, than what it appears to be. These three phases are wheels within wheels. These three phases are closely related to the problem solving - what is the problem, what are the atternatives & which alternative is the best?

Decision making is thus, a choice between alternative plans of action & choice in turn, involves facts & values. To him, every decision consists of a logical combination of fact & value propositions. A fact is a statement of reality indicating the existing deed or action. Whereas a value is an expression of preference. He insists upon making analysis of ethical & factual statements that remain present in a 'decision'. Every decision, thus is a mixture of fact & value.

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On the basis of this premises, Simon views organisation as a 'hierarchy of decisions' - 'a complex network of decision processes.' Every decision involves the selection of a goal & a behaviour relevant to it, till the final aim is reached. Thus decision making involves close interrelationship between facts & values.

In order to achieve a balance between facts & values, Simon proposes that every decision has to have rationality. Every decision must be rational

4.2.4 Rationality in Decision Making

Simon spoke on the dynamics of decision on a different plane - the plane of rationality. He emphasises upon being rational in decision making. Rationality is defined in terms of 'appropriateness for the accomplishment of specific goals.' He focussed on the rational part of decision. Every decision is a combination of reason (rationality) & emotion. Simon gives importance to reason rather than emotion. A head faces number of constraints while making decision. It is because, while taking a decision, a head has to think, of all possible consequences, affecting political culture & values of society. He explains rationality in terms of means - end construct. 'If appropriate means are adopted to reach desired ends, the decision is rational.' In brief, rationality is making 'an administrative man.'

Simon is aware that, reaching rationality itself is a difficult process, due to number of factors involved in it. So he has suggested different types of rationality. A Decision may be –

a) Objectively rational, where preference is given to values.
b) Subjectively rational, where decision maximises attainment relative to knowledge of the subject.
c) Consciously rational where adjustment between means & end is made.
d) deliberately rational where adjustment is deliberately made.
e) Organisationally rational where it reaches organisational goals.
f) Personally rational, where decision reaches individual goals.

Simon never agreed to the concept of total rationalty. It is because no individual behaviour can be totally rational or totally irrational. Simon therefore, described human behaviour in an organisation as, 'intendedly rational' Complete or total rationality is not possible because of -

a) incomplete knowledge of the problem, alternatives & consequences. Simon called it as 'bounded rationality'

b) individuals cannot be completely standardised, having, as they do, multiple, even unranked, preferences.

So Simon calls rationality in terms of satisfying which involves the choice of course of action which is 'satisfactory' or at least good enough.

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Simon was also aware about the limitations of the concept of rationality. The following features stand in the way of rational decision making -
i) Multiplicity of problems, goals & policy commitments.
ii) inadequate information about the variety of acceptable goals.
iii) the personal limitation of a decision maker, in capacity, commitment & goals.
iv) Structural difficulties within organisation.

4.2.5 : Herbert Simon on Administrative Behaviour :
While dilating on the process of decision - making, Simon rejected rational, economic man & replaced him by a more realistic, administrative man. He proposed an idea of administrative man. The behaviour of the administrative man, in the organisation, is conditioned by organisational culture. The administrator, is conditioned by organisational culture. The administrator has to comply with establised rules & regulations & follow prescribed course of action. Such a man is called 'organisational man' Herbert Simon's administrative man tries to rationalise man.

The behaviour of organisational man is subject to two types of influences - internal & external. Internal influence involves attitudes, habits & temperaments, which leads him to reach the desired decisions. Internal factors also include loyalty, concern with efficiency & training. External factors involve authority, advisory & informational services.

Programmed & non-programmed activities in an organisation
Simon is fascinated by the advent of electronic computers. He makes a distinction between programmed & non-programmed decisions. The electronic computer is making available to mankind new decision - making techniques which bring changes in white collar, executive & professional work making them 'as monotonous as those, the introduction of machinery has brought to manual jobs.'

Simon feels that the computer has the potential of revolutionising organisational decision making. According to him repetitive & routine type of decisions can be programmed to the computers. Operations research, system analysis, quantitative data processing etc. can be given to the computers.

The non-programmed decisions help the higher level authorities to devote their time for taking more efficient decisions, innovative ability, acquiring higher skills. The use of computers may increase rationality. In fact, Simon believes in the unlimited confidence in computer & management information systems. Computers command revolutionary capacity in the process of gathering & organising information public administration enables, to cope with the ever- increasing complexity of public policies & programmes.

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Simon thus suggests maximum use of computers for rational decisions.

Principles of Administration

Logically, Simon cites some of the administrative principles :
a) administrative efficiency is increased by a specialisation of the task among the group.
b) administrative efficiency is increased by arranging the members of the group in a determinate hierarchy, of authority c) administrative efficiency is increased by limiting the span of control at any point in the hierarchy to a small number.
d) Administrative efficiency is increased by grouping the workers, for purposes of control, according to (a) purpose (b) process (c) clientel (d) place.

4.2.6 : Appraisal & Criticism

Appraisal :
Simon focusses attention on the dynamics of decision-making processes & its role in organisations. His study provides a deep insight into administrative behaviour & the interaction between decision making processes & administrative behaviour found in organisation. He Viewed organisational decisions, into three phases. Rationality in decision making is a combination of facts & value is a unique contribution of Simon. His administrative man & administrative behaviour focus upon administrative system.

Criticium :
Simon's idea of decision making mainly concerns with business administration rather than public administration. His decision making theory is also criticised on the ground that though decision making process is an important variable in the organisation, it is not the only factor. Decision making process involves many other factors, especially emotional, which Simon ignores. Simon's decision making theory is too general.

Simon is also Criticised on his idea of administrative man and administrative behaviour. These dimesions differ from person to person & situation to situation. From this viewpoint, Administration cannot totally be regarded as value free science. Similarly, administrative systems do not bring similar role & similar consequences.

Rationality in decision making is also subject to criticism. Rationality, to Simon, meant a decision of 'Status quo', it is not dynamic

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4.2.7 Conclusion / Let us Sum up

Inspite of all the points of criticism, against simon's decision making theory, one understands the importance of decision making, in every walk of life. Simon's idea of rationality in decision making shows his deep insight of establishing close relationship between facts & values. His is a major contribution in the evolution of administrative theory. His administrative man & organisational behaviour, has more concern are tested. No administrative thinker on Public Administration has written so widely on decision making as by Herbert Simon.

While Summing up, keep the following points in mind 1) Herbert Simon was a great administrative thinker & a Nobel prize winner. He wrote extensively on Public Administration, Administrative theory & decision making processes.

ii) He suggested valid principles of organisation & focussed his attention on decision making.

iii) He brought empirical approach to the science of Administration. He combined facts & values in his theory of Administration.

iv) Simon calls decision making as the heart of an organisation. In fact an organisation is hierarchically structured to take decisions. Every decision, more or less, affects everybody in the organisation.

v) Simon divides decision making activity into three phases - a) Decision making is an intelligent activity, the decisions have to be taken in anticipation, which is an intellectual exercise. b) decision making is a design activity, in which, a head has to visualise all the possible options/alternatives, before reaching a final decision.

c) decision making is a choice activity, where a final decision is made.

vi) These three may appear to be simple, they are not very simple, but are complex, closely related to problem solving - what are the problems, what are the alternatives & which alternative is best?

vii) Simon also discusses rationality in decision making, which involves facts & values.

viii) Simon defines rationality, 'appropriateness for the accomplishment of specific goals of organisation. 'A head has to take into consideration all the possible consequences before taking any decision'

ix) Simon is also aware that even reaching rationality is a difficult process. He gives different types of rationality. He also knew the limitations of rationality.

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x) on the basis of rationality, Simon reaches to his idea of an 'administrative man' & administrative behaviour. The internal & external factors determine the behaviour of administrative man.

xi) Simon was very much influenced by the use of computers for administrative work. He distinguished between programmed & non programmed activities & found that computers can bring revolutionary changes in the working of organisations. A head can relieve himself / herself from the monotonous & mechanical work by relying on computers.

xii) Simon also described some fundamental principles of organisation.

4.2.8 Glossary

4.2.9 Suggested Readings

(same - take it at the end)

4.2.10 Question Pattern

1) Describe the contribution made by Herbert Simon in the field of organisation.
2) Explain the importance of decision making, as viewed by Simon.
3) Describe the three stages of decision making processes, suggested by Simon.
4) What is programmed & non-programmed activity in an organisation? How can computers be helpful to the administrative task?
5) Explain Simon's concept of rationality in decision - making? What are its types? What are its limitations?
6) Explain Simon's idea of 'administrative man?' What are the factors that, affect the behaviour of an administrative man? Herbert Simon

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Module 2
Unit 5

5

WORKING OF BUREAUCRACY

5.5.3 : The Human side of the Enterprise : McGregor Douglas Mcgregor (1906-1964)

In this unit, the following points of Mcgregor's views, are discussed.

5.3.0 Objective
5.3.1 Introduction
5.3.2 A brief life sketch of Mcgregor
5.3.3 'X' Theory
5.3.4 'Y' Theory
5.3.5 Relevance of Y Theory
5.3.6 Appraisal & Criticism
5.3.7 Conclusion / Let us sum up
5.3.8 Glossary
5.3.9 Suggested Readings
5.3.10 Question Pattern

5.3.0 : OBJECTIVES

Douglas Mcgregor's contribution has been in the field of art & science of management. Mcgregor emerged as a management Psychiatrist during the behaviouralist movement of post war era. Mcgregor attacked on the unrealistic & limiting assumptions of traditional theories of management, having concern for human nature & human behaviour. Control over human behaviour in organisations leads to resistance, restriction of output & indifference in the accomplishment, of organisational objectives. Mcgregor divided his views into - a) 'X' Theory & b) 'Y' Theory. The traditional assumptions, he regarded, fall under 'X' theory. He suggested 'Y' theory which is based upon integration & Self control, by the employees in an organisation, to accomplish organisational goals. Mcgregor hoped that his Y theory as a new & superior ethic - is a set of moral values that ought to replace the values managers usually accept.

5.3.1 : INTRODUCTION

In the field of study of Management, name of Mcgregor, is highly recognised. He was a Psychiatrist, who studied human Psychology & group sociology. Being a Management researcher, his main research was to make empirical science of Management. He

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wanted to guide manager as a professional manager. Mcgregor had a great concern for employees also.

Mcgregor had developed 'X' Theory, as a traditional view of management, Mcgregor did not support 'X' theory. Hence he developed 'Y' theory, which would suit the contemporary industrial society. In his 'Y' theory, Mcgregor had suggested positive approach to be adopted by managers as well as employees.

In this chapter, an attempt is made, to understand Mcgregor's 'X' theory; 'Y' theory & the relevance of 'Y' theory in today's world.

5.3.2 A BRIEF LIFE SKETCH OF MCGRAGOR

Mcgragor was born in U.S.A. He earned his B.E. in Mechanical from Rangaon Institution of Technology. He completed his M.A. & Ph.D. in Psychology from Harvard university in 1933 & 1935 respectivecy. He worked as a Management Professor at MIT, Sloan School of Management. He was president of Antiouch college, from 1948 to 1954. He also taught at Indian Institude of Management, at Calcutta.

Mcgragor wrote two classics - 1) The Human side of the Exterprise & 2) The professional Manager. He also wrote numerous articles on professional managerial skills. His, 'The Professional Manager', focuses on linking the human side of the enterprise with appropriate managerial intervention & understanding.

5.3.3 : MCGREGOR'S 'X' THEORY

The most creative & lasting contribution of Mcgragor has been on management, developement of managerial talent & managerial teamwork in an organisation. His basic question of enquiry was, whether managers are made or are born? 'Based upon his hypothesis that' every managerial act rests upon theory', Mcgregor argues that management is an art, it cannot be a science because it serves a different purpose. However, management can utilise scientific knowledge in the achievement of practical objectives of the organisation, was his belief.

As an organisational Psyctiatrist, Mcgragor understood that the management's hold on controlling its human resource, determine the whole character of the enterprise. He also argued that the most important problems of management lie outside the realm of improving the selection of managers with technical potential. The top executive, with higher potential & capacity cannot attain organisational objectives because of lack of utilisation of employees' talent. Mcgragor rejected the misconception that human behaviour in an organisation needs to be controlled. A top

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executive should not expect to achieve desired goals through inappropriate managerial action. So, he very aptly advances a hypothesis that all control is selective adaption. His deep observation led him to conclude that control in human affairs can be viewed as an integration of human behaviour either through coercive compulsion or through motivational self control. He developed these two assumptions & scientifically tested their validity to propound his theories of managerial control, popularly known as 'X' theory & 'Y' theory. His 'X' theory is a traditional view of direction & control. In his book 'The Human side of the Enterprise', published in 1960, he has examined theories on behaviour of individuals at work.

The 'X' Theory :-

- The average human being has an inherent disliker of work & will avoid it, if he can.
- Because of their dislike for work, most people must be controlled & threatened before they will work hard enough.
- The average human prefers to be directed, dislikes responsibility, is unambiguous & desires security above everthing.
- These assmptions lie behind most organisational principles today & give rise both to 'tough' management with punishment & tight controls & 'soft' management, which aims at harmony at work.
- Both these are 'wrong' because man needs more than financial rewards at work, he also needs some deeper higher order motivation - the opportunity to fulfill himself.
- Theory 'X' managers do not give their staff this opportunity so that the employees behave in the expected fashion.

The 'X' theory of Mcgragor resembles 'carrot stick theory.' This can be one type of managerial strategy. This theory does not describe human nature. It considers human's as fearful, a disliker to work & an insecure beast. These assumptions limit managerial strategies. New managerial strategies, new organisational goals, new pattern of leadership etc. do not fall under this 'X' theory. He came to a conclusion that 'as long as the assumptions of theory 'X' continue to influence managerial strategy, we will fail to discover, let alone, utilise the potentialities of the average human being.'

5.3.4 : MCGRAGOR'S 'Y' THEORY

Mcgragor was largely influenced by Maslow's theory of hierarchy of human needs. Mcgragor viewed human needs with emotional commitment. Mcgragor's Y theory suggests alternate assumptions for the integration of the individual & organisational goals. He wanted selective adoption in managerial strategy. Mcgragor arranged a new set of assumptions which will invite morals &

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motivation. The following assumptions are embodied in the 'Y' Theory :

- The expenditure of physical & mental effort in work is as natural as play & rest.
- Control & punishment are not the only ways to make people work. Man will direct himself if he is committed to the aims of the organisation.
- If a job is satisfying, then the result will be commitment to the organisation.
- The average man learns, under proper conditions, not only to accept but to seek responsibility.
- Imagination, creativity, ingenuity can be used to solve work problems by a large number of employees.
- Under the conditions of modern industrial life, the intellectual potentials of the average man are only partially used & utilised.

Mcgragor's 'Y' theory attacks on the 'X' theory that employees are lazy, indifferent & are disliker of accepting responsibility. They are uncooperative. Mcgragor argued that it is not the fault of human nature but of manager's strategy of control. If there is an integration in the behaviour of employees, the organisational goals could be achieved.

How the integrity amongst the employees can be achieved? The employees should have self control. Integration & self control can be possible if the individual needs & organisational needs are properly recognised. Mcgragor's theory aims to encourage & create motivation amongst employees. This is a way to innovation. Mcgragor had a deep knowledge of individual Psychology & group sociology, which he wanted to offer to modern management. So he wanted to establish a high co-relation between the acceptance of responsibility & commitment to the objectives of the organisation. The motivational performance of employees through self control & integrative behaviour can bring better results. The employees should be given greater opportunities to play an active part in decisions affecting their careers.

The Scanlon plan :

Based upon the 'Y' Theory, Mcgragor, further collaborated with Fredrick Hesiaur, who was carrying research on union Management Cooperation, popularly, known as Scanlon plan. The Scanlon plan is consistent with 'Y' theory of Mcgragor. The Scanlon plan is based upon two central features - 1) lost reduction sharing 2) effective participation.

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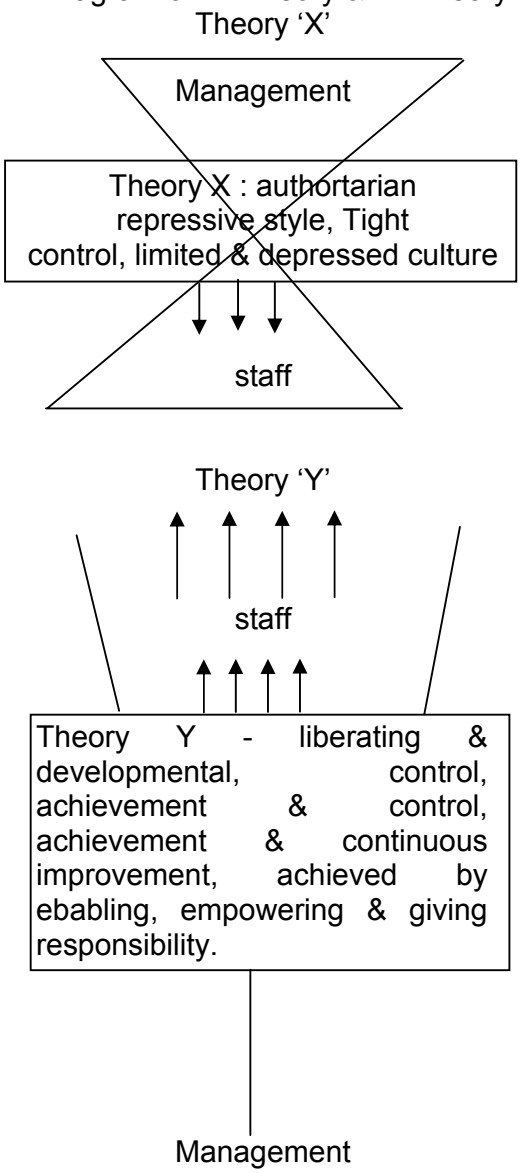
A Diagram of 'X' Theory & 'Y' Theory



The Scanlon plan proposes that, 'used wisely & with understanding participation is a natural commitment of management by integration & self control.'

5.3.5 : THE RELEVANCE OF 'Y' THEORY.

'The Human side of the Enterprise of Mcgregor aims to educate future manager, professional manager. He wanted to bridge the organisational goals with the aims, values & methodology of behavioural science. To him, management styles & strategies should be evolved & continuously adjusted in the light of the empirical reality, consistent with the findings of behavioural knowledge. This makes his theory relevant with practice. He also

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had an assumption that managment science has transnational influence.'

One important relevance of Y Theory of Mcgregor, to modern industry is related to the Line & Staff Agencies in the organisation. Modern industries are mostly operated by skilled staff. Their knowledge & experience influence decision making process in the organisation. The 'Line' employee increasingly depend upon specialised staff. However, the 'Y' theory of Mcgregor, can coordinate Line - staff relationship. The conflict between Line & staff bring lowered commitment to organisational objectives. The 'Y' theory establishes improved human resources, either for resolving conflicts or taking best decisions. Magregor had also written on leadership qualities of a manager. He had placed an idea of integration within the conceptual mould of transnational concept of power & influence.
Discussing and resolving the conflicts within the organisation, Mcgregor suggests three strategies to be adopted a) divide & rule b) suppression of differences & c) working through of differences. The first two are based upon 'X' theory, whereas the third one is based upon 'Y' theory.

5.3.6 : APPRAISAL & CRITICISM

Appraisal : The professional & human side of Mcgregor reveals a very colourful person of wide vision & scientific temper. His 'Model' of a manager was apt for industry, governments & nations. His books are guidelines to a future manager, to understand human nature & proper utilisation of human resources.

From his Human side to the professional side, the writings of Mcgregor shows a systematic evolution of his ideas. This has helped a lot to industrial society of U.S.A. As a scholar of behavioural managment, his writings have helped the managers to sharpen their potentials to readjust their strategies of management for tomorrow.

The 'X' Theory & 'Y' theory represent the behovioral patterns of the employees. Mcgregor had his deep observation of human nature & human behaviour. He wanted to relate theory to practice. Mcgregor wrote on both - a) the employees as well as - b) the managers. A 'Y' theory manager can communicate openly with subordinates, can minimise the differences between superior & subordinates, can create a comfortable enviorment in which the subordinates can develop & can use their abilities. Mcgregor suggests Managers to be more positive to their employees, to trust the employees & to make proper utilisation of human resource for development.

Criticism - However, Mcgregor is largely criticised by his critics. The main criticism is that, his theories are fine but are difficult to bring

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into practice. Expecially his 'Y' theory seems to be difficult to bring into practice.

Mcgregor tried to answer this question by claiming that each person must find his own answer. A manager has to think about the deal with himself, his role, his style, his own power & the issue & control over others.

Mcgregor is also criticised on the ground that neither his 'X' theory nor 'Y' theory represent human behaviour or human relationship. These theories are tools by which managerial skills can be studied & analysed. The current research in management has gone beyond 'Y' theory to 'Z' theory.

Today, any theory is seldom used explicitly. The managers & the employees somewhere fall in between these two poles of 'X' theory & 'Y' theory.

However, Mcgregor's 'X' & 'Y' theories are still important theories in the field of management & motivation. His 'X' theory & 'Y' theory still remain a guiding principle of positive approaches to the management, to the development of organisation & to bring improvement in organisational culture.

5.3.7 : CONCLUSIONS / LET US SUM UP :

1) Mcgregor was an American thinker. He was a management Psychiatrist, who complected M.A. & Ph.D. in Psychology. He worked as a professor in USA.
2) Mcgregor wrote two classics, 'The Human side of the Enterprise & the Professional Manager.' Besides, he wrote numerous articles.
3) Mcgregor wanted to make a research whether Management can be regarded as science besides being an art. He developed 'X' Theory & Y theory.
4) His 'X' theory represents traditional approach of management, which believes that average human being dislikes work, responsibility. Hence employee need to be directed & controlled by the managers.
5) The 'X' managers do not give their staff opportunity to develop. This 'X' theory resembles 'carrot stick theory'.
6) Mcgregor's 'Y' theory is contradictory, is reformative & is more scientific & empirical. While proposing 'Y' theory, Mcgregor was influenced by Maslow.
7) According to 'Y' Theory, emplyees like to work. Punishment & control are not tools to make the employees work. If the job is satisfying, the employees are committed to achieve organisational objectives. In proper conditions, employees shoulder responsibility, develop creativity. Mcgregor names this as innovation.

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8) In his 'Y' theory, Mcgregor suggests integrity & self control to be brought into the organisation. This is equally applicable to the managers as well as employees.
9) Mcgregor wanted to apply individual Psychology & group sociology to his study of Management.
10) Mcgregor makes his Manager understand 'human side' as well as 'professional side' of managerial skills;
11) Mcgregor collaborated his 'Y' theory with 'Scanlon Plan' of Fredrick Lesiaur.
12) The 'Y' theory of Mcgregor has apt relevance in today's world of management. His Y theory bridges Line & staff relationship. It might bring improved Line-staff collaboration.
13) Mcgregor suggests his professional manager, leadership qualities & transnational concept of power & influence.
14) In spite of criticism, Mcgregor will be remembered for his profound knowledge of human nature, human hehaviour & positive approach in management.

5.3.8 : GLOSSARY

5.3.9 : SUGGESTED READINGS

1) S. R. Maheshwari : Administrative Thinkers; MacMilan India Ltd, New Delhi, 1998.

2) D. Ravindra Prasad; V. S. Prasad; P. Satyanarayana (Ed); Administrative Thinkers; sterling Publishers Pvt. Ltd., New Delhi, 1989.

5.3.10 QUESTION PATTERN

1) Critically discuss Mcgregor's 'X' Theory.
2) Critically explain the 'Y' Theory of Mcgregor.
3) What are the features of 'X' Theory ?
4) Discuss the charactersitics of 'Y' Theory.
5) In what way, Mcgregor's 'Y' theory has a relevance today?
6) Explain the concept 'Scanlon Plan'.
7) What is carrot stick theory?
8) Explain 'Y' Theory of Mcgregor in collaboruting Line & staff relationship.

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Module III
Unit 6

6

PUBLIC ADMINISTRATION IN THE AGE OF GLOBALIZATION AND LIBERALIZATION

(New Public Management, Good Governance)

Unit Structure

6.0 Objectives
6.1 Globalization
6.1.1 Check your progress
6.2 Liberalization
6.2.1 Check your progress
6.3 Public Administration since World War II
6.3.1 Check your progress
6.4 New Public Management
6.4.1 Features of New Public Management
6.4.2 Evaluation of New Public Management
6.4.3 Check your progress
6.5 Good Governance
6.5.1 Features of Good Governance
6.5.2 Evaluation of Good Governance
6.5.3 Check your progress
6.6 Let's sum up
6.7 Suggested Reading
6.8 Question pattern

6.0 OBJECTIVES

Public Administration as a subject of inquiry as well as practice cannot remain isolated from the developments in the real world. As throughout the last century the political, economical, and social changes were engulfing the human life all over the world, these changes also influenced the public administration. Decade of eighties brought fundamental change in the orientation of public administration in the western world. These changes are owing to the wave of globalization. In this unit we are broadly entrusted with the task of understanding the impact of the globalization and liberalization on the public administration. Narrowly we will fulfill following objectives.

• To understand the meaning and dynamics of globalization and liberalization.

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• To understand the concept of New Public Management
• To understand the concept of Good Governance.

6.1 GLOBALIZATION

Historically human societies across the globe are connected with each other in pursuit of trade, education, art, literature, religion etc. However the pace of their interaction has dramatically increased in the last century owing to the advancement in the technologies like aeomantics and communication. Time and space dimensions have shrunk like never before and the world became more interdependent than ever.

Very recent changes in the eighties of the twentieth century are unprecedenting owing to the complexity and speed which characterize them. Along with the improvement in the means of transportations like airplanes, ocean going vessels, development in Information technology, computers, satellite phones have established close links among the societies all over the world. Multinational corporations manufacture products in many countries and sell to consumers around the world. Money, technology and raw materials move more swiftly across national borders. Along with products and finances, ideas and cultures circulate more freely. As a result, laws, economies, and social movements are forming at the international level. These changes with their economical, ideological, political, cultural dimensions are called as globalization.

Globalization means

• "Integrating and connecting cultures and communities in new space-time combinations, and 'making the world in reality and in experience more interconnected"
Hall

• "Globalization is the integration of markets, finance and technologies in a way that is shrinking the world from a size medium to a size small and enabling each of us to reach around the world farther, faster and cheaper than ever before. Like all previous international systems, it is directly or indirectly shaping the domestic politics, economic polities and foreign relations of virtually every country."
Friedman

6.1.1 Check your progress

1. Globalization implies compression of time and space in terms of communication, information, trade, culture. True/False
2. Globalization is uni-dimensional i.e. only economical True/False

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6.2 LIBERALIZATION

Although such interconnectedness in the present century is unprecedented, it is not historically delinked from the past. Economically, politically ‘and culturally it can be explained as the expansion of western liberalism with all its facets to the rest of the world. The economic theory relates globalization to the model of a free world market without restrictions of competition and mobility, a global mass culture and a world-encompassing information society. This approach shows that the neo-liberal market of domestic economics has simply been shifted to the world market level. Neo-liberal market is particularly followed and pushed by western capitalist states. Thus the globalization becomes synonymous to the western-capitalism as against socialist policies which were followed by many Third World countries after their independence from the clutches of colonialism.

Liberalization refers to a relaxation of government restrictions, usually in areas of social or economic policy. Economic liberalization is often associated with privatization. Some time it is referred to as deregulation. It is also linked with democratization.

In order to understand the impact of globalization and liberalization on the public administration in general and in the form of New Public Management and Good governance in particular we will now focus on certain key issues which brought transformation in the theory and practice of public administration in the post World War II era.

6.2.1 Check your progress

Liberalization refers to (Select odd man out)

1 Market regulation
2 Privatization
3 Deregulation
4 Democratization

6.3 PUBLIC ADMINISTRATION SINCE WORLD WAR II

Since World War II the development was considered a state activity. Due to this the role and function of government had witnessed an unprecedented increase in both developed and developing countries. The reverse trend is observed after 1980s in the developed world. The globalization of neo liberal economic formula as a model of development drive the economies towards a market-driven, private sector led 'development' which emphasized on the rolling back of the state. This shrinking of state affected the size and spending of the public sector. The New Right of Britain and America and the 'structural adjustment' policy of the World Bank directed the process of economical integration of world

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economy which sparked the wave of economic reforms that swept through the public sector after 1990s.

In the present situation the role of the state vis-a-vis the market is changed. Government and thus State now a days have lost a position of sovereignty which it enjoyed earlier. Increase in global interdependence in terms of international economic and financial relationships, and international institutional collaboration affected the capabilities of the governments to decide exclusively on the national affairs. National economic resources and political decisions have got global overtones. At the same time new issues of governance erupted with unprecedented intensity, like environmental management, ethnic minorities, tribal development, child labour, gender equality, social equality, human rights which increased the pressures over the present day governments.

"Thus the contradictory forces of globalization and liberalization on the one hand and the search of communitarian, egalitarian, eco-friendly, humanistic civilization on the other have thrown up challenging agenda items before public management today."

6.3.1 Check your progress

1 Since World War II functions of governments have been increased. True/False
2 Neo liberal economic theory advocate (select odd man out)
a. Free market
b. Development of private sector
c. Shrinking of state d. State control of market

6.4 NEW PUBLIC MANAGEMENT

New Public Management is the development of the eighties in last century. It primarily emerged as a critic of traditional approach of Public Administration which was 'Weberian' 'Bureaucratic'. The guiding philosophy of traditional approach is the management of public interest and the separation of politics from administration. Some of the important principles of the traditional model of administration are:

- Institutional structure of work
- Rule orientation
- Impersonality
- Neutrality
- Anonymity
- Specialization
- hierarchy of offices
- centralization of command structure
- Public/private distinction.

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The critics of this approach point out that:

- Its organizational design led to rigid hierarchical centralized structures dysfunctional to organizational goals.
- Public agencies became machine-like, rigid and impersonal.
- Effective management of the public sector and efficient production of organizational targets could not be correlated with the so-called universal principals of traditional public administration.
- In real life the bureaucratic mode of organization was not necessarily the most national, efficient or effective model of organizational design.

Thus the major concepts of traditional public administration are now challenged on the fronts of efficiency, effectiveness, accountability, transparency and responsiveness. The modern age with the rapid change in technology and societal demands ask for different paradigm of administration. At this juncture an idea of deploying private sector managerial tactics for the public service gained ground in the 1980s. Citizens are now increasingly viewed as consumers of public goods. Many of the flexible organizational designs and practices pioneered by the corporate sector and business administration are found introduced in the public agencies. Both sectors are now viewed as complementary to each other rather than separate and antagonistic. This new paradigm of public sector management is called as New Public Management with efficiency, economy and effectiveness as its watch words. New Public Management is theoretically rooted in Public Choice Theory and Neo -Taylorism

Public Choice Theory

• Principal exponents of Public Choice Theory are Buchanan and Tullock, Vincent Ostrom, Niskanen.

• Underlying assumptions of PCT are

1. Individuals act rationally with adequate information and ordered preference.
2. Individuals are utility maximizers.

Neo-Taylorism

• It believes that major reasons for the dysfunctionality of the public sector are the high cost of subsidizing the public services and lack of accountability of individual administrators.

• Public organizations are geared to routine and maintenance administration rather than adapt to the dynamics of rapid social change.

6.4.1 Features of New Public Management:

Some of the salient features of New Public Management are as follows:

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- Public agencies should employ the private sector techniques to provide quality services to citizens with managerial autonomy to the public management.
- Emphasis should be on performance evaluation indicators to measure actual achievements and the quality of services.
- Central departments should be relieved from the operational activities which should be shifted to the field agencies.
- In order to make use of more expertise and employee creativity working conditions must be made flexible and contractual appointments must be promoted.
- Public agencies should publicize their results and performance on regular basis.
- Steps should be taken to create conducive environment for more effective and productive managerial leadership. To achieve this, hierarchical structure of organization should be abandoned. Recruitment and training of personnel should be based on merit and performance. Attractive salary structures and diverse roles should be offered to maintain the moral of the managerial force.
- Personal accountability and responsibility should be ensured by linking up rewards like pay structures with fulfillment of performance targets.
- Managerial decisions should reflect cost consciousness.

EXPERIENCE OF NPM

UK

The concept of citizen charter has been introduced to ensure greater citizens satisfaction.

New Zealand

• Public sector corporations are sold to private sector.
• Contracts have been entered between the Chief Executives of the Corporations and Ministries to specify the input and output.
• Autonomy has been granted to public sector organizations.

Canada

• Public Service has been more open and visible.
• The link between people and interest group on one hand and government on the other hand is strengthened.
• Powers are delegated to the public organizations and they have been made accountable for results.

India

Opened up new areas for private sector development, dismantling price controls, deregulation and privatization of loss making public sector enterprises.

6.4.2 Evaluation of NPM

In brief NPM advocate the progressive back tracking of government from the micro issues especially removal of political interference in

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the administration at the execution of the policies. 'Economic rationality' and 'performance' are the keywords of NPM. NPM attempts to refashion the bureaucracy as a dynamic, result-oriented, efficient, responsive and responsible public servant who is sensitive and aware of public needs, wishes and preferences. In order to achieve its objectives NPM attempts to downsize governments and tries to replace the philosophy of 'public interest' with that of the 'market' which is criticized by scholars of public administration. Its central concern about optimization of scarce public resources and development of new ways of public/private cooperation receive positive response but its emphasis on the relaxation to the market forces is targeted by many especially in the Third World.

5.4.3 Check your progress

1 Following are the watch words of the New Public management:
A.....
B.....
C.....

2 New Public Management is theoretically rooted in Public Choice Theory and Neo -Taylorism
True/False

3 Assumptions of Public Choice Theory are:
A.....
B.....

6.5 GOOD GOVERNANCE

Recently the term "good governance" is being increasingly used in development literature. Bad governance is being increasingly regarded as one of the root cause of all evil within our societies. Like New Public Management the concept of Good Governance is also the product of the 1980s which emerged out of the synthesis of development administration and the neo liberal restructuring of government. The concept is elusive and value laden. Thus proved to be difficult to define accurately.

Two documents attempted to sketch the outline of the concept. Firstly, the World Bank's 1989 document on Sub-Saharan Africa, and secondly World Bank's 1992 document.

In its document of 1989 World Bank cleared the concept of Governance with three parameters;

1. Public Sector Management and Accountability
2. Legal framework for development
3. Information and transparency

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In the document of 1992 entitled 'Governance and Development' the World Bank stated three applications of the concept of governance;

1. In the form of political regime
2. The process by which governmental power is exercised in the management of a country's economic and social resources
3. The capacity of governments to design, formulate and implement policies

It is imperative to understand that present need to reconceptualize the governance is felt out of the compulsion of regulating developmental assistance given by the international financial institutions like World Bank to the Third World countries. The World Bank after its establishment in 1944 in the Bretton Woods Conference, is committed to provide developmental assistance to the underdeveloped and developing countries for the purpose of poverty reduction, education, health, empowerment of weaker sections, environmental sustainability etc. Around 1980s the World Bank from its lending experience in many developing countries observed that despite of sound policy design, programmes and projects have failed due to institutional failures in those countries.

World Bank experts identified some of the problems as;
1. Governments in these countries are not determined enough to implement the policies.
2. There is an absence of proper accounting or budgetary system
3. Widespread corruption is prevailing in these countries.
4. General lack of popular participation due to public apathy and misinformation among the people.

In order to overcome these difficulties lending agencies like the World Bank insists on 'structural adjustment programmes' for the recipient countries which emphasize on downsizing the bureaucracy, opening up new sectors to the private sector for development and redefining the state role as an 'enabler' rather than a 'provider'. The development aid was linked up with promotion of open, market friendly competitive economical readjustment of the national economies, support for democratization and improvement of human rights records and insistence on the new package called 'good governance'.

OECD further clarified the expectations of lending countries vis-a-vis recipient countries under the following heads;

• Participatory Development
• Human Rights
• Democratization
• Legitimacy of Government
• Respect of human rights

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• Rule of law

5.5.1 Features of Good Governance

From the above discussion we can spell out some important features of Good Governance. Good Governance insist on removal of corruption, voices for the minorities, participation of most vulnerable in decision-making and responsive to the present and future needs of society.

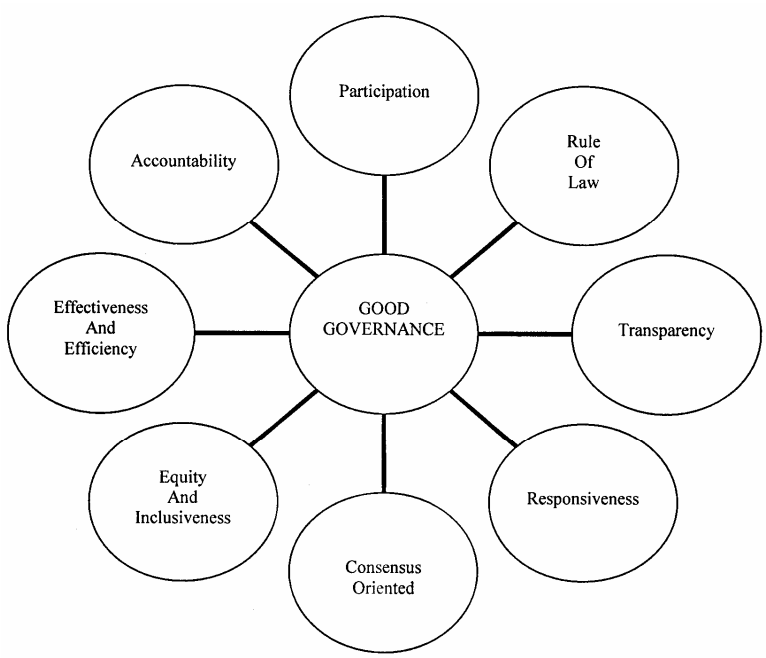

DIAGRAM: Features of Good Governance

Participation

Inequalities and discriminations of various kinds like gender, race, caste, creed, place of birth etc are addressed in the good governance by participation of various stakeholders in governance either through direct or through legitimate intermediate institutions or representatives. Informed and organized participation is emphasized. It means freedom of association and expression for all to raise their concerns.

Rule of law

Good governance requires fair legal frameworks that are enforced impartially. It entails protection of human rights, particularly those of minorities; impartial enforcement of laws which requires an independent judiciary and an impartial and incorruptible police force.

Transparency

Transparency suggest three things; firstly, decisions must be taken and enforced in proper legal manner, secondly, the information

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must be freely available and directly accessible to the affected, and thirdly, complete information in easily understandable forms and media.

Responsiveness
It suggests that governance must be responsive to the concerns of all stakeholders within a reasonable timeframe.

Consensus oriented
Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This needs sensitivity of the administration to the historical, cultural and social contexts of a given society or community. In political term it is called as political pluralism.

Equity and inclusiveness
Good governance must address the issues concerning justice and equity. None in the society should feel side lined or exploited in the process of development. Growth should be inclusive and equitable. Mostly the vulnerable and marginalized must share the fruits of the development and must have opportunities to improve and maintain their well being.

Effectiveness and efficiency
It means that developmental needs of the society must be achieved by the optimum utilization of the resources at their disposal. It further suggests sustainable use of natural resources and the protection of the environment.

Accountability
Accountability is a key of good governance. Both public and private institutions along with civil society organizations must be accountable to the public and to their institutional stakeholders. Transparency and Rule of Law are prerequisites of accountability.

6.5.2 Evaluation of Good Governance

Good governance is thus a vague normative formulation which is very difficult to practice in its original form. The criticisms of the good governance can be summed up in the following points:

• It draws very ideal picture of harmonious functioning of various stakeholders like State, Private Sector and civil society organizations like NGOs. In reality their relationship is complicated and guided by their struggle for supremacy in their respective spheres which hampers the process of governance and divert the resources in wrong directions.

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• Good governance advocates increasing participation of private bodies in the issues of governance. However practice shows that accountability for an activity which has been contracted out, and maintenance of ethical standards in private sector is problematic to maintain.

• It seems that the concept tried to re invent the old politics administration dichotomy of the Wilsonian age which is nothing but a neo-liberal agenda to legitimize the profit making agenda of capitalist economies from the first world.

• Good governance attempt to impose western notion of democracy and governance over the Third World. It neglects indigenous strudures of governance alternative paradigms of developments.

• To belittle the importance of public agencies in the Third World may prove disastrous due to the social and political issues (like communalism, casteism, racism, ethnic clashes) involved in the community life of the people from these countries.

6.5.3 Check your progress
Fill in the Blanks
Features of Good Governance are :
A Participation B.....
C Transparency D.....
E Consensus oriented F.....
G Effectiveness and Efficiency H.....

6.6 LET'S SUM UP

To sum up the entire discussion on the public administration in the age of globalization and liberalization we are in the position to say that failures of traditional welfare oriented approach to the governance to solve the major problems of the citizens lead to the rethinking of the role of public administration. In those circumstances Neo liberal theorist found a justification for the free market policy of liberalism. This results in discarding traditional Weberian bureaucratic model of administration and emergence of New Public Administration and Good Governance.

New Public Administration is the synthesis of public ethics and private competence. With the watch words of efficiency, economy and effectiveness NPM becomes synonymous with the Neo Liberal Agenda of development induced growth.

Good Governance altered the administrative fabric of the third world countries with its eight principles to be accountable for the assistance received from the international donor agencies for the developmental purposes.

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New Public Administration and Good Governance along with its manifold problems of implementation have now become key words in the vocabulary of public administration after 1980s.

6.7 SUGGESTED READING

• Avasthi, Maheshwari; 2004; Public Administration; Lakshmi Narain Agarwal; Agra
• Basu Rumki; 2005; Public Administration Concepts and Theories; Sterling; New Delhi

6.8 QUESTION PATTERN

1. Describe the shift in the theory and practice of public administration from traditional Weberian model to neo liberal market based model in 1970s.
2. Explain the concept of New Public Management with its key features.
3. Explain the concept of Good Governance along with its main characteristics.

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Module IV
Unit 7

7

ETHICS AND ACCOUNTABILITY IN GOVERNMENT

7.0: Objective is to study
7.1 Introduction
7.2 Ethics and accountability in Public Administration
7.3 Legislative control over public administration
7.4 Check your progress

7.1 INTRODUCTION

Public administration as an activity which encompasses each and every aspect of human life. The explosion and spread of information and communication technology, the wide acceptance of democratic form of government and changing social norms enable the people to demand higher standards of ethics, transparency and accountability in the public sector. Ethical public service is considered as a prerequisite of well functioning democracy. Ethical, transparent and accountable public sector is also a precondition of good governance that ensures sustainable development and responsive public policy. It also helps to improve the performance of public sector by preventing systemic corruption.

The effectiveness of public administration depends on the understanding and cooperation between the citizens and public servants. The primary concern of the citizens in a good civil society is that their government must be fair and good. For a Government to be good it is essential that their systems and sub-systems of Governance are efficient, economical, ethical and equitable. In addition the governing process must also be just, reasonable, fair and citizen friendly. For these and other qualities and good governance, the administrative system must also be accountable and responsive, besides promoting transparency and people's participation.

There is a great deal of alienation between the people and the public service which undermines the legitimacy, effectiveness and credibility of public administration. To bridge this gap it is necessary to create confidence in the minds of the people towards the competence, fairness, honesty, impartiality and sincerity of the public services.

The manipulation and lack of ethics in administration not only reduces the effectiveness but also has several negative effects for

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the society as a whole. It leads to poor administration and mismanagement of human and material resources. Several rules, regulations and laws exist to ensure impartiality, honesty and devotion among the public servants. But still there remain a vast area of administrative activity which cannot be controlled by formal laws, procedures and methods. 'In such cases administrators are accountable only to their own conscience, their own sense of duty towards the social welfare. Along with that there is also a need to have an "ethics infrastructure" that not only provides guidance for good conduct but also administratively and legally punishes misconduct. The "ethics infrastructure" includes measures to enhance and preserve organizational integrity, access to information that promotes transparency and accountability and prevents misuse of power by public personnel. Decision-making by administrators must be based on fairness, transparency and accountability and a sense of the public interest, as well as the careful exercise of the legal authorities delegated by Parliament.

7.2: ETHICS IN PUBLIC ADMINISTRATION:

The American Society of Public Administration (ASPA) has laid down the code of Ethics for Public Administrators.

1. The public servants should put the public interest above the self interest and subordinate institutional loyalties to the public good. They are committed to exercise discretionary authority to promote the public interest. Accordingly they should oppose all forms of discrimination and harassment, and promote affirmative action. They should recognize and support the public's right to know the public's business and involve citizens in policy decision-making. The public servants should encourage the people to participate actively in the affairs of the government.

2. It is the duty of the public servants to respect the Constitution and the Law that define responsibilities of public agencies, employees, and all citizens and promote constitutional principles of equality, fairness, representativeness, responsiveness and due process in protecting citizens' rights. They should understand and apply legislation and regulations relevant to their professional role and eliminate unlawful discrimination. It is also expected that they should work to improve and change laws and policies that are counterproductive or obsolete. It is their responsibility to prevent all forms of mismanagement of public funds by establishing and maintaining strong fiscal and management controls, and by supporting audits and investigative activities.

3. The public servants are committed to perform their duties honestly and should not compromise them for advancement, honor, or personal gain. They should conduct official acts without

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favoritism and ensure that others receive credit for their work and contributions.

4. The public officials should make every effort to strengthen organizational capabilities to apply ethics, efficiency and effectiveness in serving the public. For the purpose the organizations should adopt distribute, and periodically review a code of ethics as a living document. They should work to enhance organizational capacity for open communication, creativity, and dedication. The organization should establish procedures that promote ethical behavior and hold individuals and organizations accountable for their conduct. The organizational accountability can be 'ensured through appropriate controls and procedures. The organization also should promote merit principles that protect against arbitrary and capricious actions.

5. The public officials should strive for Professional Excellence. They should work hard to strengthen individual capabilities and encourage the professional development of others to upgrade competence. They should accept the responsibility to keep up to date on emerging issues and potential problems.

Accountability of Public Administration;

Transparency and accountability are often talked about in the context of administration in general and civil services reforms in particular. Accountability of public administration implies that for every action and inaction in government and its consequences there is a civil servant responsible and accountable to the government, the society and the people. Political accountability implies an established legal framework based on the rule of law and independence of judiciary to protect human rights, secure social justice and guard against exploitation and abuse of power. On the other hand Bureaucratic accountability ensures a system to monitor and control the performance of government offices and officials in relation to quality of service, inefficiency and abuse of discretionary powers. The phenomenal increase in the functions of the government leads to the expansion in the powers and functions of public administration. Power in a democratic society needs to be controlled and greater the power, the greater is the need for the control as the grant of power carries with it the possibility of misuse of power. The major dilemma before the governments of the day is to vest the sufficient power to serve the purpose in the view, but at the same time to maintain adequate control. The need for effective control of administration thus is obvious.

Check your Progress:

• Explain the code of Ethics for public administrators.
• What is meant by accountability of public administration?

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7.3 THE LEGISLATIVE CONTROL OVER ADMINISTRATION

In India the legislature, the representative body of the people exercises control over the administration. The administration cannot act contrary to the guidelines laid down by the legislature. It lays down the broader policy of administration. The legislature not only defines the functions of the government but also provides the finance for its various programmes. The control over financial matters is exercised through the various committees established by the legislature. The administration cannot spend a single rupee without the sanction of legislature. The administration is expected to keep the accurate account of all financial transactions and submit the reports of such transactions to the legislature.

The legislature also deals with the matter related with public personnel. The manner of recruitment of the public personnel, their number, their duties and powers, their service conditions, rules of procedure, code of conduct etc. are determined by the legislature. The failure to adhere to those rules accounts for the disciplinary action against the administration. Further the public personnel are held responsible for their official acts. They are supposed to keep the proper records of their official acts and submit the reports to the legislature at least once a year, when called upon by the legislature giving a full account of their acts. The legislature may also conduct the special investigation or inquiry of the manner in which administrative affairs have been conducted. The legislature has the general power of direction, supervision and control over administration.

7.3.2: The means of legislative control :

The opportunity to exercise control over the administration assumes several forms such as questions, resolutions, Zero-Hour Discussions, Adjournment Motions, Vote of Censure, Budget and the Parliamentary Committees. These various means are discussed below.

The President's Speech : Every new session of the parliament opens up with the speech of the President. The President in his speech spells out the broader policies and activities of executives in the foreseeing future. The first four days of every session are set aside for the general discussion on the speech. The members of the parliament hold discussions on the Presidential speech which give them the opportunity to criticize the executive action.

Discussion on Budget: The parliament every year sanctions the funds for the expenditure of the executive. After the budget is presented by the Finance Minister in the Parliament the general discussion on the budget takes place. In the process of enactment

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of the budget every department puts forth the demands for grants and for the approval of the Parliament. At this stage the members of Parliament get the opportunity to discuss and evaluate the affairs of the administration of various departments. The members of the opposition can also move cut motions to express their displeasure with the working of the administration at this stage. Thus the discussion on the finance bill provides the members of Parliament an opportunity to discuss the entire administration.

Question Hour :
It is a very powerful technique of legislative control over administration. During the session of the Parliament, every parliamentary day starts with the question hour. The first hour of the day is reserved for questions. The purpose of the question hour is to elicit information or clarification on the matters pertaining to public interest. The members of the Parliament address written questions to the government. On an average thirty questions are asked. If the members of parliament are not satisfied with the answers they can ask supplementary questions. In practice the actual purpose of the question hour is to draw public attention to the failure and abuse of authority by the government or to address the public grievances.

Adjournment Motions :
To draw the attention of the government to the questions of urgent nature and of public importance such as flood, earthquake etc. The device of adjournment motion is used. If the moving of adjournment motion is permitted by the presiding officer then the normal business of the House is suspended for the day and the immediate debate takes place. During the debate and the discussion on the adjournment motion the members of parliament get an opportunity to criticize the administration. Adjournment Motion is the tool of day-to-day control.

Censure Motion:
This means the Vote of No-Confidence. The members of the Parliament have the right to move the Vote of No-confidence in order to express the total disapproval of the policy of the government or the part of it. In case of an adverse vote the government has to resign.

Debates on the legislation:
The bill of law passes through various stages before the enactment. The various readings of the Bill provide an opportunity to the members of Parliament to criticize the entire policy underlying the bill.

Parliamentary committees:
The Parliamentary committees act as a tool of effective control over the administration. The financial committees of the Parliament such

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as Public Accounts Committee, Estimates Committee ‘and the Committee on Public Undertakings exercise detail and substantial control over the financial matters. The Committee on Assurances reports on as to what extent the assurances given by the ministers on the floor of the House are implemented in a specified time limit required for the purpose. Such enquiry makes ministers more responsible and careful and administration to take quick action on the given promises.

Audit :

The office of Comptroller and Auditor General audits all the government accounts to ensure that the money granted by the Parliament have been used for the stated purpose and the amount has not exceeded without sanction of the supplementary grant by the parliament and the expenditure confirms to the rules. The reports regarding the same are submitted by the CAG to the Parliament.

7.3.3 Limitations of Legislative Control :

Though the legislature lays down the general policy of the government by enactment, amendment of laws, it has been observed that in practice this responsibility is shifted to the executive branch. The executives generally take initiative in Policy Making in which civil servants play a decisive role. In majority of the cases even the bills of legislation originate from the executive branch and the bureaucracy.

• The work of the administrative branch has increased in volume and complexity. The members of the parliament who meet only during the session do not have the necessary time and expertise to control the expanding administrative work.

• Members of the Parliament often do not possess the required technical knowledge of the various departments and therefore cannot effectively criticize the working of the department and their demands for grants.

• In the parliamentary form of government the administrative officials are not directly responsible to the legislature. They cannot be called before the House to give explanation of their official acts. Though they can be called by the Committees of Parliament they are not obliged to answer personal criticism. It is the Minister who shoulders the responsibility for the administrative acts of his department. Administrators thus are only indirectly responsible to the legislature.

7.3.4 Check your Progress:

• What is meant by legislative control over public administration?
• What are the means of legislative control?
• What are the limitations of legislative control?

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Module IV
Unit 8

8

CONTROL OVER PUBLIC ADMINISTRATION

Unit Structure
8.0 Objective
8.1 Executive control over the Administration
8.2 Judicial control over the Administration
8.3 Suggested Reading
8.4 Unit end questions

8.0 OBJECTIVE

to study about Executive and Judicial control over administration.

8.1 EXECUTIVE CONTROL OVER THE ADMINISTRATION:

Introduction :
In a responsible form of government executives control over administration is one of utmost importance. Generally the public policies originate from the Chief Executive and they are implemented by the Civil Servants. The Civil Servants unlike the Chief Executive enjoy the permanent tenure and are not affected by ups and downs in the political fortune. Therefore there is the need for the control of the Civil servants by the Chief Executive to ensure that their work confirms to the executive expectations. This is a very difficult task. There are various methods of Executive control over administration. They are explained below.

- The overall responsibility of policy-making lies with the Chief Executive which is performed with the help of cabinet ministers in the parliamentary system of government. By formulating the policy the executive gives direction to the administrative action. The ministers of the various departments are also responsible for the direction, supervision and guiding of the departmental administration and its functioning. Overall coordination and control of the various branches of administration is the responsibility of the Chief Executive.

- Executive also has control over the financial matters pertaining to administration. The Executive prepares the budget of the department, determines the sources of income and sanctions the amount of expenditure that the department can incur. The

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amount sanctioned cannot be exceeded by the administration. Thus the executive can exercise continuous control over the administration through financial regulation.

- The personnel requirements of the department are determined by the Executive. Executive lays down the general principles for recruitment of the civil service. The recruitment to the higher posts in a department is the Executive prerogative. The ministers select their own Secretaries and Deputy Secretaries. The Chief Executive has the overall power to appoint and remove the public servants till they remain in power during the pleasure of the President.

- Delegated legislation is another form of Executive control over public officials. The Parliament generally passes the law in the skeleton form and details are filled up by the executive departments. Further the Chief Executive has the power to issue ordinances when the parliament is not in session and they are as authoritative and powerful as an act passed by the legislature. This executive power can be effectively used to lay down the rules and regulations of the administrative action.

Check your Progress:

- **How does executive exercises control over administration?**

8.2: JUDICIAL CONTROL OVER ADMINISTRATION:

8.2.1 Introduction :

Public administration exercises a large volume of power to meet the citizens need in modern democratic welfare state. Today administration is not concerned with only pure administrative function but also involved with a large number of quasi-legislative and quasi-judicial functions. In this respect they have a number of chances to become arbitrary or master of the citizens. So it is very necessary to control them. By judicial control is meant the power of the courts to examine the Legality of the officials act and thereby to safeguard the fundamental and other essential rights of the citizens. The underlying object of judicial review is to ensure that the authority does not abuse its power and the individual receives just and fair treatment and not to ensure that the authority reaches a conclusion, which is correct in the eye of law. It comprises the power of a court to hold unconstitutional and unenforceable any law or order based upon such law or any other action by a public authority which is inconsistent or in conflict with the basic law of the land The role of judiciary in protecting the citizens against the excesses of officials has become all the more important with the increase in the powers and discretion of the public officials in the modern welfare states. But the courts cannot interfere in the administrative activities of their own accord. They can intervene only when they are invited to do so by any person who feels that his

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rights have been abrogated or are likely to be abrogated as a result of some action of the public official. Secondly, the courts cannot interfere in each and every administrative act, as too much of Judicial action may make the official too much conscious and very little of it may make them negligent of the rights of citizens.

8.2.2 Generally judicial intervention in administrative activities is confined to the following cases:

a) Lack of Jurisdiction:
If any public official or administrative agency acts without or beyond his or her authority or jurisdiction the courts can declare such acts as ultra-virus. For instance, according to administrative rules and procedures, in all organizations, the competent authority is identified for taking decisions and actions. If any authority or person other than the competent authority takes action, the court's intervention can be sought under the provisions of lack of jurisdiction.

b) Error of Law:
This category of cases arises when the official misconstrues the law and imposes upon the citizen obligations, which are absent in law. This is called misfeasance in legal terminology. The courts are empowered to set right such cases.

c) Error of Fact:
This category of cases is a result of error in discovering cases and actions taken on basis of wrong assumptions. Any citizen adversely affected by error of judgment of public official can approach courts for redressal.

d) Error of Procedure:
"Due procedure" is the basis of governmental action in a democracy. Responsible government means a government by procedure. Procedure in administration ensures accountability, openness and justice. Public officials must act in accordance with the procedure laid down by law in the performance of the administrative activities. If the prescribed procedure is not followed the intervention of the courts can be sought and legality of administrative actions can be questioned.

e) Abuse of authority:
If a public official exercises his or her authority vindictively to harm a person or use authority for personal gain, court's intervention can be sought. In legal terms, it is called malfeasance. The courts can intervene to correct the malfeasance of administrative acts.

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8.2.3: Forms of Judicial control over Administration;

Judicial Review

The judicial review implies the power of the courts to examine the legality and constitutionality of administrative acts of officials and also the executive orders and the legislative enactments. This is very important method of judicial control The statutes made by Parliament and State Assemblies itself provide that in a particular type of administrative action,' the aggrieved party will have a right of appeal to the courts or to a higher administrative tribunal. Sometimes, legislative enactment itself may provide for judicial intervention in certain matters.

Statutory Appeals

The statutes made by Parliament and State Assemblies itself provide that in a particular type of administrative action the aggrieved party will have a right of appeal to the courts or to a higher administrative tribunal. Sometimes, legislative enactment itself may provide for judicial intervention in certain matters. The State is liable for the tortuous acts of its officials in respect of the non-sovereign functions only.

Criminal and Civil Suits against Public Officials

In India civil proceedings can be instituted against a public official for anything done in his official capacity after giving two months notice. When criminal proceedings are to be instituted against an official for the acts done in his official capacity, previous sanctions of the Head of the State i.e., the President or the Governor is required. Some functionaries like the President and the Governor are immune from legal proceedings even in respect of their personal acts. Ministers, however, do not enjoy such immunity.

Extraordinary Remedies

Apart from the methods of judicial control already discussed, there are the extraordinary remedies in the nature of writs of Habeas Corpus, Mandamus, Prohibition, Certiorari and Quo Waranto. These are called extraordinary remedies because the courts grant these writs except the writ of Habeas Corpus, in their discretion and as a matter of right and that too when no other adequate remedy is available. A writ is an order of the court enforcing compliance on the part of those against whom the writ is issued. In India these writs are available under the provisions of the Constitution. While the Supreme Court is empowered to issue these writs or orders or directives only for the enforcement of

Fundamental Rights, the High Courts are empowered to issue these writs not only for the enforcement of Fundamental Rights but also for other rights. We will discuss these writs now.

• Habeas Corpus:

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Habeas Corpus literally means to have the body of. This writ is an order issued by the court against a person who has detained another to produce the latter before the court and submit to its orders. If it is found that the person in unlawfully or illegally detained, he will be set free.

• Mandamus:
Mandamus literally means command. If a public official fails to perform an act which is a part of his public duty and thereby violates the right of an individual, he /she will be commanded to perform the act through this writ.

• Prohibition:
It is a judicial writ issued by a superior court to an inferior court, preventing it from usurping jurisdiction, which is not vested with it. While Mandamus commands activity, Prohibition commands inactivity. This writ can be issued only against judicial or quasi-judicial authorities to prevent exercise of excess of jurisdiction by a subordinate court. As such, its significance as a method of judicial control over administration is limited.

• Certiorari:
While Prohibition is preventive; Certiorari is both preventive and curative. It is a writ issued by a superior court for transferring the records of proceedings of a case from an inferior court or quasi-judicial authority to the superior court for determining the legality of the proceedings.

• Quo Waranto: Literally, Quo Waranto means 'on what authority'. When any person acts in a 'public office' in which he/she is not entitled to act, the court by the issue of this writ, will enquire into the legality of the claim of the person to that office. If the said claim is not well founded, he or she will be ousted from that office. It is, thus, a powerful instrument against the usurpation of'public offices'.

8.2.4 : Limitations of judicial control over administration
The effectiveness of judicial control over administration is limited by many factors. Some of these limitations are:

1. Unmanageable volume of work:
the judiciary is not able to cope up with the volume of work. In a year the courts are able to deal with only a fraction of cases brought before it. Thousands of cases have been pending in Supreme Court, High Courts and Lower Courts for years together for want of time. There is an increase in the cases of litigation without a commensurate expansion of judicial mechanism. This excessive delay in the delivery of justice discourages many to approach the court. The feeling of helplessness results in denial of justice to many.

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2. Post-mortem nature of judicial control:
In most of the cases the judicial intervention comes only after enough damage is done by the administrative actions. Even if the courts set right the wrong done, there is no mechanism to redress the trouble the citizen has undergone in the process.

3. Prohibitive Costs:
The judicial process is costly and only rich can afford it. There is some truth in the criticism of pro-rich bias of judicial system in India. As a result, only rich are able to seek the protection of courts from the administrative abuses. The poor are, in most cases, the helpless victims of the administrative arbitrariness and judicial inaction.

4. Cumbersome procedure:
Many legal procedures are beyond the comprehension of common man. The procedural tyranny frightens many from approaching the courts. Even though the procedures have a positive dimension of ensuring fair play, too much of it negates the whole process.

5. Statutory limitations; the courts may be statutorily prevented from exercising jurisdiction in certain spheres. There are several administrative acts, which cannot be reviewed by courts.

6. Specialized nature of administrative actions: The highly technical nature of some administrative actions act as a further limitation on judicial control. The judges, who are only legal experts, may not be able to sufficiently appreciate the technical implications of administrative actions. As a result, their judgments may not be authentic.

7. Lack of awareness: In developing societies, most of the people who are poor and illiterate are not aware of judicial remedies and the role of the courts. As a result they may not even approach the court to redress their grievances. The courts which can intervene only when it is sought may be helpless in this situation. The general deprivation of people also results in deprivation of justice to them.

8. Erosion of autonomy of judiciary; There is executive interference in the working of judiciary. The quality of judiciary mostly depends on the quality of the judges. The Law Commission made many recommendations to ensure the judicial standards of the bench. The suggestion to create Judicial Commission with responsibility for judicial appointments deserves serious consideration. In recent years, there are many allegations of corruption against judges. This undermines the prestige and the effectiveness of the judiciary.

8.2.5 Check your Progress:
• What is meant by Judicial control over administration?

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• What are the forms of Judicial control over administration?
• What are the limitations of judicial control?

8.2.6 : LET US SUM UP

The test of good governance lies in the goals and objectives of the government, in its policies and programmes, in the manner of their execution, in the result achieved and above all in the general perception of the people about quality of functioning of various agencies, their attitude and behaviour towards the people, their sincerity, honesty and their commitment towards the public duties. Good governance implies accountability to the citizens of a democratic polity and their involvement in decision making, implementation and evaluation of projects, programmes and public policies. In this perspective, transparency and accountability become invaluable components of good governance as well as of good administration.

8.3 SUGGESTED READING :

- Public administration in theory and practice - M.P. Sharma and B.L Sadan
- Public administration - Mohit Bhattacharya
- Modern public administration - Nigro and Nigro
- Administrative Behaviors: Managing organizational behavior - Paul Hersey & Kenneth Blanchard
- Personal Administration - Public personal administration - O. Glennstal
- Control over administration : Public administration - Avasthi & Maheswari
- Central administration in India: Central administration - A. Avasthi
- Civil Services in India : Indian administration - S.R. Maheswari, State. IGNOU Study Materials
- IJPA articles on relevant topics
- Current News Papers

8.4 QUESTION PATTERN:

1. Write a note on ethics and accountability in Public Administration.
2. Examine the importance of Legislative control over Public Administration.
3. How effective is the legislative control over administration?
4. What are the means of executive control over administration?
5. What are the forms of judicial control over administration?
6. Explain the limitations of judicial control over administration.

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SECTION II

Module V
Unit 9

9

THE INDIAN ADMINISTRATIVE SYSTEM - BASIC FEATURES

Unit Structure

9.0 Objectives
9.1 Introduction
9.2 Historical Overview of Indian Administrative System
9.2.1 Indian Administration Under British Rule
9.2;1 .1 Administration under East India Company
9.2.1 .2 Administration under direct authority of British Crown
9.2.1 .3 Check your progress
9.2.2 Post Independent Indian Administration
9.2.2.1 Challenges on the eve of Independence
9.2.2.2 Check your progress
9.3 Constitutional and Legal Framework
9.3.1 Constitutional Provisions for Civil Services in India
9.3.2 Check your progress
9.4 Salient Features
9.5 Let us sum up
9.6 Glossary
9.7 Suggested Reading
9.8 Question Pattern

9.0 OBJECTIVES

Dear students till now we studied various theoretical issues concerning academic field of Public Administration. We are now familiar with number of concepts and ideas which in last more than hundred years enriched the understanding of the theory and practice of public administration.

From this module onwards, we are entrusted with the task of applying our understanding of the above mentioned issues to the Administrative System in India. Thus in this module we are expected to get basic understanding of the Bureaucratic framework of the Indian Administration.

We will attempt to achieve following objectives in this unit.

- To understand historical linkages of Indian Bureaucracy
- To understand the constitutional and legal framework in which Indian Administrative System operates.

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- To get acquainted with the salient features of Indian Administrative System.

9.1 INTRODUCTION

Although systemic enquiry in to the field of public administration began in last half of 19th century in U.S., as a practice it was a matter of great interest in ancient civilizations like India, & China. Administrative system of any given country is always contextual to the socio-political milieu surrounding it. Indian administration too is not an exception to it. From ancient times to present it adapted itself to the changing circumstances in which it operated. Present administrative system in India is a remarkable example of continuity and change. Pre British Administration in India was considerably preoccupied with concerns of revenue generation, internal law and order, and maintaining strong bonds with religious and cultural currents in the contemporary society. Administration in those times was guided by religious and monarchical dictates.

British, first under East India Company and then under the British Parliament brought the rule of alienated legal structure with plantation of British system primarily with a motive of control and exploitation to enrich their mother country. Post British Administration in India is more complex

which was entrusted with the task of nation building, development, and establishment of egalitarian society. In this trajectory of development the Public Administration acquired various unique characteristics. Understanding of these features is essential to understand the complex machinery of Indian Administrative System.

9.2 HISTORICAL OVERVIEW OF INDIAN ADMINISTRATIVE SYSTEM

The administration in India maintained its link with the past in number of ways. Its present structure in many ways is continuation of British colonial practices and institutions.

9.2.1 Indian Administration under British Rule

9.2.1.1 Administration under East India Company

Indian Administration during British rule was entrusted to match the expectations of the colonial masters i.e. British. British were mainly interested in maintaining control over the country. In the initial period under East India Company they had limited objective to look after trade, establish contacts with Indian rulers for getting concessions, and to maintain security of their trading places and residential settlements. After Victory over Nawab of Bengal in Plassy it embarks on political conquest of the Indian subcontinent.

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In its last phase it attempted certain social legislation to ban certain religious, cultural practices but by and large it was focused on the business activities, exploitation of Indian market and natural resources in India, destruction of indigenous trade activities. To carry on these duties East India Company had its military personnel as well civil officials to perform civil duties including judicial functions. East India Company coined the term 'Civil Service' to distinguish officials performing civil duties from Military/armed services.

9.2.1.2 Administration under direct authority of British Crown

It is after the first war of Independence in 1857 that the Crown started direct rule in India. Since then it evolved a systemic construction of Steel Framework of Indian Bureaucracy under colonial control. Development of Railways, Post and Telegraph, Revenue system, educational system were especially designed to serve the colonial purpose. The government was interested in the collection of taxes, maintenance of peace and law and order. In the words of Prof. Fadia "role of bureaucracy was mainly negative, i.e., it performed regulatory functions and made all efforts to crush people/s movement for independence." Following are the some of the landmark developments of this period in the course of evolution of Civil Service in India.

- Macaulay Committee Report (1854) provided the philosophical foundation for the Indian Civil Service. The Aitchison Report (1887) was instrumental to develop the basic structure of Civil Service in India. Till 1892 Civil Service in India was called 'Indian Covenanted Civil Service'. The Report renamed it as Indian Civil Service and also created provincial civil service and Subordinated Services.

- All India services constitute highest echelons of bureaucracy in British India. Officers belonging to these services were directly under the Secretary of State of India and His Council. His services were entirely protected by the Secretary of State of India. Even his salary, pension, etc. were not subjected to the vote of any Indian legislature.

- With increasing responsibilities and growing pressure of governance some new services were created. In the year 1892, the Indian Service of Engineers and the Indian Veterinary service were created. In 1897, the Indian Military Service; in 1905 Imperial Police; in 1906 the Indian Education Service and; in 1907 Indian Agricultural Service was established. According to the Lee Commission in 1924 there were eight all-India services at that time with total staff of 4,278 personnel.

- By the end of the first quarter of twentieth century amidst the development of Indian freedom movement Indianization of the

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higher civil services gained momentum. Under the Government of India Act of 1919 responsible government was introduced in India. It worked as catalyst to bring changes in the political milieu of the country. Thus growing criticism of individual members of the Services by questions in the Provincial and the Central Legislatures, the 'ignominy' of working under Indian Ministers in the provinces, the Non-cooperation Movement of 1920-1922 putting the officers and their families in personal discomfort, the insufficiency of salaries due to the high level of prices prevailing in the wake of the First World War resulted in the early retirement of many British officers from the Services. Lee commission in its report recommended abolition of certain All-India services, particularly those dealing with departments that had been 'transferred' to Indian hands. These departments were Indian Educational Service, Indian Agricultural Service, Indian Veterinary Service, and the Roads and Building Branch of the Indian Service of Engineers. It further recommended retention of Indian Civil Service, Indian Police Service, Indian Forest Service, Indian Medical Service and the Irrigation Branch of the Indian Service of Engineers.

The Government of India Act of 1935 further brought important reforms in the nature of the higher civil services. The Act strengthened the federal machinery. Though Indian public opinion was in favour of dismantling all the All India Services, but the act retained two services i.e. I.C.S. and I.P.S and thus maintained the 'steel frame' as it is.

In order to maintain firm grip over Indians, British Government offered all kinds of favours, privileges and concessions to the public services in India, especially All India Services. Same protection was continued to these services in the provisions of the 1919 Act, 1935 Act. Their interests were guarded by the Governor General of India. As a matter of fact, the introduction of limited responsible government in 1920 and its extension in 1937 had been marked by frequent clashes between the Indian ministers and the British officers. Protective measures for the services were continued in the Indian Independence Act of July 1947. Thus despite the protest by some members in the Constituent Assembly, the government of independent India provided in the Constitution of India the protection of the rights of the.existing officers of the Indian Civil Services.

9.2.1.3 Check your progress

1 Motive of the East Indian Company Administration in India was .....

2 British Administration in colonial India was welfare oriented. True/ False

3 All India Services under British Crown were (Mark the right option)

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a. Happy with Indian ministers
b. Received high privileges and protection
c. Indian freedom struggle had good rapport with civil services

9.2.2 Post Independent Indian Administration

Although the independence of India unlike American or Russian revolution was a matter of transfer of power from British Parliament to the Indian Government, the event was not as comfortable as was desired during the long drawn freedom struggle. There were enormous challenges before this newly born republic.

9.2.1 Challenges on the eve of independence:

Defending external boundaries:

Soon after the independence both the newly independent nations were engaged in a full scale war over the issue of Jammu and Kashmir. The war led to financial and diplomatic burden over the Government of India which results in the diversification of attention to the boundary problems. Similarly boundary disputes with China remained unresolved which led to the' war in 1962 with that nation too. Consequent to these the administration of independent India had to engage enormous resources for the external security.

Combating communalism:

Partition of the country on the communal line led to the problems of very serious nature. Subsequent communal riots result into the loss of thousand of lives, loss of property and further growth of ill feelings among Hindus and Muslims. Further, exodus of millions of refugees from across the border forced the administration to prepare for their resettlement and rehabilitation. Although Indian administration finished the unprecedented task with remarkable speed and success it caused enormous strain on the financial and other resources.

Unification of the country :

The Act of Independence allowed the Princely States, which were earlier not the part of direct rule of British India to retain the power to decide on integration to the Indian Union or remain sovereign. There were more than six hundred such princely states whose sovereignty implied constant threat to the security of independent India. Indian administration under the able leadership of the then Home Minister of India, Shri. Vallabhbhai Patel successfully managed the integration of these princely states in the Union of India.

Nation Building:

Large territory and diversity of region, language, culture, history, religion, caste, class etc. provided fertile land for the secessionist forces in India. The responsibility of the administration was to deal with the separatist forces within the country without developing ill

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feeling among the masses. This was delicate balance which was needed in the process of nation building in the country.

Advent of Welfare State:

The constitution of India promises the citizen of India guarantee of freedom, equality and social justice. These promises meant for the beginning of welfare government had considerably increased its functions. Bureaucracy had to shed of its administration in the India. So the new colonial attitude of arrogance and apathy towards the masses. They had to emerge as catalyst for modernization and development of the newly independent nation.

A welfare state is a government that provides for the welfare, or the well-being, of its citizens completely. Such a government is involved in citizens lives at every level. It provides for physical, material, and social needs rather than the people providing for their own. The purpose of the welfare state is to create economic equality or to assure equitable standards of living for all.

Above mentioned challenges were just few to be highlighted from the list of many more to expect from the nation which was newly freed after more than one and half century long colonial rule. Severity of the problems was increased with the personnel crisis which country faced at the beginning. With the increase of the functions of government the country was in need of trained personnel to shoulder the responsibilities. But on the eve of independence most of the British officers sought premature retirement from the service, and due to the partition the majority of the Muslim offices went to the Pakistan. Thus, nearly 600 members of the Indian Civil Services left India, leaving only 600 officers in the Service. Same shortage was faced by Indian Police Service and External Affairs Ministry too. To deal with the crisis caused by the gaps in the services, the government initiated emergency process for the recruitment to the Services. A Special Recruitment Board was set up in 1948 to fill the newly created posts in I.A.S. and I.P.S. Its task was to survey the available administrative manpower in the country both inside and outside the ranks of the permanent services, and to select men of the requisite standards in order to make good and fill up deficiency in services. The Special Recruitment Board came to an end with the inauguration of the new Constitution on January 26, 1950.

Now after the brief survey of the historical circumstances surrounding evolution of the public Administration in India we will turn to understand the foundation of the Bureaucracy in India as a torchbearers for the development and modernization which is laid down in the legal framework of the Constitution of India.

9.2.2.2 Check your progress

1 Greatest challenge before the Indian Administration after Independence was (Select odd man out)

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a. Unity and integration of the nation
b. Development of the country
c. To make India superpower
d. Deliver constitutional promises

2. Immediately after independence Indian Administration felt shortage of officials due to.....

9.3 CONSTITUTIONAL AND LEGAL FRAMEWORK

Unlike the Constitutions of other democratic nations in the world the provisions related to the civil services are given constitutional basis in our country. Its role and functions are very carefully located in the Parliamentary System of Government.
In our Political System:

- Administrative officials form the 'permanent' executives as distinguished from the Ministers who constitute the 'political' executives.
- While the policies of the administration are laid down by the ministers, the implementation of the same rest with the administrative officials of apolitical nature.
- The administration expected to be politically neutral which is appointed by definite procedure in an order to maintain the continuity of the administration.
- The civil servants are supposed to be experts in the detailed working of the government.

9.3.1 Constitutional Provisions for Civil Services in India

Part of XIV and XIV A of the Indian Constitution titles as Services under the Union and the States contained provisions for the civil services. The part include Article 308 to Article 323 A. Some of the important provisions are as follows.

- Article 309 provide for the recruitment and conditions of service of persons serving the Union or a State administration. It empowers the Union Parliament for the Services for the Union and State legislatures; for the Services for the States, by appropriate legislation, to regulate the recruitment, and conditions of service of persons appointed for their respective affairs.

- Article 310 (1) provides the security of tenure of office of persons serving the Union or a State. It laid down that a person serving the Union or an All-India service holds office during the pleasure of the President of India. Similarly, a person serving the State civil service holds office during the pleasure of the Governor of that State.

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- Article 311 (1) states that member of civil services, All India, Central and State should not be dismissed or removed by an authority subordinate to that by which he was appointed.
  Article 311 (2) protect the civil servants from arbitrary dismissal, removal or demotion in rank without informing the charges against him and denial of opportunity to defend himself.

- Article 312 (1) empowers the Parliament of India to create one or more All -India services if the Council of State declared by resolution and supported by not less than two-thirds of the members present and voting that it is necessary and expedient in the national interest to do so.
  Article 312 (2) further provides the constitutional basis for the Indian Administrative Service and the Indian Police Service which were existing at the commencement of the Constitution.

- Article 315 to Article 323 made provisions for the Public Service Commissions for the Union and for the States pertaining to their establishment, appointment and terms of office, their removal and suspension and other related provisions such as functions, powers, expenses and reports etc.

9.3.2 Check your progress

1 In India role and functions of civil services are compatible to the Presidential System of Government True / False
2 Administration in India is expected to be politically committed. True / False
3 Ministers who are political executives in India are expert in their respective field.
True / false

10 Salient Features

Present Indian Administrative System carries the legacy of the British colonial rule. The Constitution of India contains the basic principles regarding the public services and the public service commission. Some significant features of the Indian Administrative System are as follows.

Shift from Colonial Policy

After the independence of the country efforts are made to redesign the structure of the Indian Administration to suit the needs of the new nation. Planning is adopted and Planning Commission is designed to undertake the administrative policy making. It resulted in tremendous expansion in the administrative activities of rural development administration and public enterprises. The advent of the Community Development Programme, National Extension Services and the establishment of the Panchayati Raj institution has created a new network of administrative machinery in the country side. Consequently the district administration has undergone radical changes.

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Administrative Dualism:
Owing to the quasi federal nature of Indian political system the executive and administrative powers of the Union and States are co-extensive with their legislative powers. Central Services administer 97 subjects which are constitutionally allocated to Union and State Services administer 66 subjects reserved for States. For the subjects in the Concurrent List, the Union formulates policies and enacts legislations and the responsibility of administration is entrusted to the State Services. Both the Services and State Services are classified into four categories, Viz. Class-I. Class-II, Class-III and Class-IV, depending on the responsibility, the nature of work and required qualifications. Class I and II for the Union and States, are recruited respectively through Union Public Service Commission and State Public Service Commissions. Class-III consists of clerical staff and Class-IV service constitutes all menial staff which are recruited by the Subordinate Staff Selection Board for Central and Regional Staff Selection Boards for the States.

All India Services
All India Services are the successors of Indian Civil Service known as 'steel-framework' of the British Raj. Personnel of All India Services are inter-changeable between the Central and State governments. They occupy strategic positions in the Central as well as State administration. According to Dr. Ambedkar, 'they are strategic posts from the point of view of maintaining the standards of administration' of the country. Article 312 of the Constitution of India empowers the Council of States, in the wider national interest, to recommend to the Union Parliament, creation of All-India services. At present there are two All India Services, viz. Indian Administrative Service (IAS) and Indian Police Service (IPS). The recruitment for All India Services is done by the Union Public Service Commission. (UPSC)

Recruitment to Public Services:
Since 1856 recruitment to the Indian administrative system has been made through open competitive examination with an objective to secure for the Indian Civil Service young men who had received the best, the most liberal and the most finished education. The Constitution of India has provided for the Union, State and Joint State Public Service Commissions and has entrusted them the task of ascertaining the merit of the candidates by conducting competitive examinations and making recommendations to the Union and state Governments in the matter of recruitment to public services. Adequate provisions to ensure their independence and thereby fair recruitment are made in the Constitution of India.

Differential Recruitment Policy
While recruiting the staff for Civil Services preferential treatment is given to certain sections on the basis of social backwardness in the form of relaxation of eligibility conditions and reservation in the

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public employment. According to Art. 16(4) of the Indian Constitution, Centre as well as State governments are required to make provision for the reservation in appointments or posts in favour of any backward class of citizen which in the opinion of the State is not adequately represented in services under the state.

Domicile Requirements in State Services

Despite of constitutional obligation to not to discriminate persons on their place of birth many States in India follow the policy of recruiting

only the domicile citizen of those States. They justify such policies on the grounds such as moral duty of a State to provide employment to its "Sons of Soil", possibility of encroachment of public employment by the persons from other states, non familiarity of the 'outsiders' with the social cultural environment of those states, and possible emotional non involvement or attachment to the people of the region.

Training:

After the independence the method of institutionalized training for Civil Services is adopted in order to impart the specialized education to the new entrants for the efficient conduct of their duties. Revenue and development administration remained the central concern of these orientations. Common institutional training, known as foundation training, is provided to recruits to the All-India and Central Services Class-I, at Lal Bahadur Shastri National Academy of Administration, Mussourie. Professional training to the new recruits is provided at various Central Training Institutions. Other training programmes like executive Development Programme, Advanced Management Development Programme etc., are conducted in the National Academy of Administration for the central and All India services.

Dominance of Generalists:

The Indian Administrative Service is known as generalists who occupy superior positions at "policy formulation" and "considerations" levels in the Central and State secretariats. Apart from this, these cadres are appointed to the specialized executive agencies like Director of Education or Agriculture or Public Health. Despite of fifty percent of the Class-I officers belong to the technical services they are generally excluded from these key positions.

A Large Public Sector:

The public sector in India covers a vast and varied range of activities as compared to the Private sector. The industrial and commercial undertakings in the public sector in India are classified into three groups:

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- Undertakings run directly by the departments of executive agencies of the Government like railways, posts and telegraphs etc.

- Undertakings run by statutory corporations like L.I.C., Indian Airlines, and O.N.G.C. etc.

The public sector:
sometimes referred to as the state sector is a part of the state that deals with either the production, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal.

Undertakings run by Government Companies registered in accordance with the provisions of the Indian Companies Act, 1956.

Planning Commission :
Planning Commission was set up, by a Cabinet Resolution, on 15th March, 1950 with an objective "to secure rapid advance along democratic and equalitarian lines". As an expert advisory body to the Cabinet it works in close cooperation with the Union and State Government. It takes initiative in suggesting new policies and programmes and also to co-ordinate policies and programmes of the other agencies of the government. Central and State governments bear the responsibility for decisions and implementing. However, in practice, the planning commission has reduced the importance of the Ministries, the States, and even of the Union Cabinet. It has affected the balance of power and the federal structure by affecting the autonomy of the States and reducing them to the status of 'doles receiving corporation'.

9.5 LET US SUM UP

Thus the administration in India is not bon just out of nothing. In theory and practice it is a continuation of the past, especially colonial past. This continuation was owing to the necessity of the time of independence as well as due to the nature at the independence which was more in the form of transfer rather revolution.

Colonial administration was working in the framework of police state performing limited functions of revenue, defence and, law and order. Design of higher civil services especially Indian Civil Service was made suitable to this colonial objective. Growing pressure from Indian movement for independence gradually brought attitudinal and structural changes like Indianization, pro people, and federal orientation. Although bureaucracy maintained its privileged position even after independence it now become responsive to the need of the developing nation.

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In the process it retained some of the old features like continuation of dominance of generalists All India Services, administrative dualism has acquired some new characteristics like, institutionalized recruitment and training to Public Services in both central and state level, differential recruitment Policy, domicile requirements in State Services, a large Public Sector and emergence of Planning Commission.

9.7 SUGGESTED READING

1 Ramchandran, Padma; 1995; Public Administration in India; National Book Trust; New Delhi.

2 Arora, Ramesh; 2006; Public Administration in India: Continuity and Change; Rajat; New Delhi.

9.8 QUESTIONS

1. Examine the elements of continuity and change in the Public Administration in India.
2. Describe various constitutional provisions for the Public Administration in India
3. What are the salient features of the public administration in India?
4. Write short notes on:
   a. Nature of public administration in India during colonial rule,
   b. Challenges before the administration after independence.
   c. Changing nature of public administration in India.

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Module V
Unit 10

10

THE INDIAN ADMINISTRATIVE SYSTEM

Changing Nature-with reference to Liberalisation and Privatisation Public-Private Partnership

Unit Structure

10.0 Objectives
10.1 Introduction
10.2 Changing Nature-With Reference To Liberalisation and Privatisation

10.2.1 Shift in Economic Policy in Indian Economy after 1991
10.2.2 Check your progress
10.2.3 Behaviour and attitudinal influence of GLP on the Administration
10.2.4 Check your progress
10.2.5 Globalization, liberalization, Privatization and the Public Sector in India:
10.2.6 Check your progress
10.2.7 Globalization Liberalization and Planning In India:
10.2.8 Check your progress

10.3 Public Private Partnerships
10.3.1 Meaning
10.3.2 Limitations
10.3.3 Scope of PPPs
10.3.4 Check your progress
10.3.5 Public Private Partnerships in India
10.3.6 Experience of PPPs in India
10.3.7 Check your progress

10.4 Let us sum up
10.5 Glossary
10.6 Suggested Reading
10.7 Question Pattern

10.0 OBJECTIVES

This unit is the continuation of the last one. From the last unit we are familiar with the Public Administration in India and its various features under the Nehruvian model of planned, welfare economy. Thus, now we can start addressing the issues concerning Indian Administration in the Globalized world. This unit from Module V is designed to fulfill following objectives:

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1. To understand the changing context of public administration in India in terms of economy, polity at national and international level.
2. To understand the nature of these changes caused by Globalization, Liberalisation and Privatization of Indian economy.
3. To assess the impact of GLP on the Pubic Administration in particular.
4. To acquire the understanding of the PPP model for the development of essential public infrastructure with special reference to India.

10.1 INTRODUCTION:

After 40 years of long engagement with the welfare state model, in 1991 India joined the bandwagon of globalization and integrated its market with the global market. Gigantic transformation of every sector of the Indian society was unavoidable with this change in the economic policy of the government. The polity before 1991 was characterized by the socialist approach towards the governance and administration was based on Weberian model of bureaucracy. Both of them were fused in order to tackle the challenges of nation building, development, social justice and international peace. Assessment of forty years of practice of Indian bureaucracy revealed success stories on some fronts while failure on some other. Fiscal crisis of 1990's led the Indian government to initiate neo-liberal economic reforms. Various changes followed these reforms. Along with unresolved issues of social justice, poverty, border conflicts with neighbouring countries the New Economic Order under the Brettonwoods Institutions (International Monetary Fund, World Bank) and World Trade Organization posed new kinds of challejiges which include global competition, environmental concerns etc. The public administration in India has undergone drastic changes from its traditional portrayal of rigid, leviathanian, welfare image to the flexible, decentralized and catalyst under the changing nature of the political economy after 1991.

10.2 CHANGING NATURE-WITH REFERENCE TO LIBERALISATION AND PRIVATISATION

Meaning:
Globalization entails progressive integration of Indian economy in the world economy. It implies opening up the Indian Economy to foreign direct investment, removal of constraints to the entry of Multi National Companies in India.

Liberalization means free-market economy. It marks a change from a restrictionist regime to a free regime. It implies reducing, relaxing and dismantling of government's controls and regulation in

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economic activities. These measures include delicensing of a good number of industries, raising of licensing limits, relaxations under the MRTP Act, broad banding, relaxation under the FEMA regulations, legalization of additional capacities, relaxations in export-import policy and so forth. Thus, the private sector is permitted to function freely in respect of investment, production and products.

Privatization suggests changing the ownership of pubic enterprises fully or partially to the private parties, allowing the entry of private sector into areas hitherto exclusively reserved for the public sector and operating contract that is, entrusting the management and control of public enterprises to the private parties on agreed remuneration.

10.2.1 Shift in Economic Policy in Indian Economy after 1991

Indian economy before new economic policy of 1991 was characterized as mixed economy which was heavily inclined towards centralization. Due to socialist orientation of the government more emphasis was on the public sector. Development was guided and planned by the ideal of Welfare State. Industrial policy was protectionist towards indigenous businesses and agriculture with stringent regulation of import and export transactions.

The 'New Economic Policy' announced as New Industrial Policy in 1991 was the beginning of the era of liberalization which eventually led to privatization and globalization. The policy was the radical departure from the Nehruvian Economic Philosophy contained in the 1956 policy designed to improve the overall performance of the Indian Economy. With this change the approach of the governance towards the public sector has changed dramatically. Various reasons are cited by the government to justify this changing focus towards public sector. Some of which are the poor financial performance of the public sector; low returns against heavy investments in public enterprises; inability of government to provide budgetary support to sick enterprises; growing necessity to develop competitive culture for the public enterprises to earn profits through improved efficiency; the global trend towards liberalization, privatization, and globalization, initiative from private sector to invest in public infrastructure; growing influence of external factors like advanced countries, MNCs, World Bank, IMF and so on.

10.2.2 Check your progress

1 Globalization is the integration of internal economy with international market.
True / False

2 State any four reasons that compelled Indian Government to open the economy in 1991.

a. .....

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b. .....
c. .....
d. .....

10.2.3 Behaviour and attitudinal influence of GLP on the Administration

Thus with the adoption of New Economical Policy, 'competitiveness' became the watchword of the new era administration. The old rule-bound, rigid, conservative, cautious, slow and unresponsive bureaucratic systems are increasingly being viewed as archaic. The winds of change started affecting the structure, orientation and behaviour patterns of the administrative system. Inefficiency and high costs involved in the maintaining of the huge bureaucracy was sought to be reduced by reducing the employee's strength and promoting professionalism and increasing speed of modernization. Following changes are now seen crucial to prepare the administration for the global competition.

Modernization and Technological preparedness:

The administration needs modernizing technology and development of necessary infrastructure to play pivotal role in transforming economic scenario.

Attitudinal changes in the Bureaucracy:

The attitude of administration towards public needs drastic change in the wake of growing demands of citizen's rights and privileges. The emergent administrative system ought to be client-oriented or people oriented with its major focus on empowering the people. More particularly, administration at the cutting-edge level should develop a positive, empathetic and helpful attitude towards the common man.

Entry for Specialists:

Indian bureaucracy in the past was dominated by generalists. In the present situation bureaucrats are expected to act as an entrepreneur who is result-oriented and, therefore, is willing and eager to cut red-tape. In the policy-making the role of specialist has increased. They are needed to occupy top policy positions. In order to facilitate greater role of professionals and technocrats in the policy system, they are offered lateral entry into the civil service.

Decentralization:

The culture of decentralization and delegation should pervade the whole administrative system and the field functionary should feel that he is an integral part of the governance system. The top heavy secretariat in the Central and state governments should be pruned adequately with a view to broad-basing the policy process and providing a greater role and scope to the middle level of administration in the policy system.

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Flexibility in control:
The governmental rules and procedures including audit need revision in order to be more commercial and flexible. It is more desirable to change mind set of bureaucrats. Accountability should stem from a sense of moral responsibility and social obligation.

Personnel Administration:
Personnel administration requires rigorous mechanism of manpower planning. Recruitment process needs to streamline to form the basis of proven and potential merit. Training for improving professional competence, reorienting attitudes and influencing value-patterns will have to be a continual process. The salaries and perks in government organizations need to be more attractive. To compete corporate in order to attract bright talent in the services and retain them in it, it would be desirable to create for them a set of non-economic incentives. There is visible need to promote work ethics in the Indian administrative system including, national pride, organizational loyalty, professional commitment, dignity, prestige and social" recognition.

10.2.4 Check your progress
1 Which of the following is the watchword of the public administration under the liberalization?
a. Competition
b. Red-tapism
c. Conservatism
d. Cautious

2. Following changes are expected in the administration in order to prepare for the global competition.
a. ..... b.....
c. ..... d.....
e. ..... f.....

10.2.5 Globalization, liberalization, Privatization and the Public Sector in India:

Thus owing to the' reasons above the New Industrial Policy of 1991 contained following provision; with regard to the public sector.

1. Reduction of the role of the public sector to few strategic, hi-tech and essential infrastructure areas.
2. Entry to private sector in some of the areas earlier reserved for the public sector. Expansion of the public sector to the areas not reserved for it.
3. Chronically sick public enterprises will be referred to the Board of Industrial and Financial Reconstruction (BIFR) for formulation of revival and rehabilitation schemes.

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4. A social security mechanism to protect the interests of workers who will be affected by the rehabilitation of sick public enterprises.
5. A part of the government's share-holding in the public sector offered to mutual funds, financial institutions, general public and workers.
6. Boards of public sector companies to be made more professional and autonomous.
7. Introduction of system of Memorandum of Understanding to grant autonomy and subsequent accountability to the management of public sector enterprise for the results.
8. Progressive reduction of the budgetary support to public enterprises.

As a result of these macroeconomic policy reforms the government has taken various measures to reform the public enterprises. These are as follows;

1. Since 1991 the government dereserved various industries which were earlier monopoly of public sector. Today only three areas stand reserved viz., atomic energy, minerals specified in the schedule to the atomic energy (control of production and use) order, 1953 and rail transport. Some dereserved areas are opened to domestic as well as foreign private enterprises.

2. In 1991, the Sick Industrial Companies Act (SICA, 1985) was amended to enable the sick public enterprises to be referred to the Board of Industrial and Financial Reconstruction (BIFR, 1987) for revival or closure.
3. In 1988, government initiated the Voluntary Retirement Scheme (VRS) to help the public enterprise to shed excess manpower.

4. In 1991 -92, the disinvestment programme was started with the main objective of raising non-inflationary kind of finance for the government budget. The government established a full-fledged department of Disinvestment in 1999.

Disinvestment is a process whereby the government withdraws a portion or the total of its equity in a public enterprise.

5. The government identified nine leading, well-performing and high profit-making public enterprises as the 'Navratnas' which were granted autonomy and operational freedom in fields like financial, commercial, managerial, and organizational to improve their global performance. Their Boards have also been professionalized by bringing in non-official part-time professional Directors.

List of Navratnas
1. Steel Authority of India Ltd.
2. Bharat Heavy Electricals Ltd.

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3. Oil and Natural Gas Commission.
4. Indian Oil Corporation Ltd.
5. Hindustan Petroleum Corporation Ltd.
6. Bharat Petroleum Corporation Ltd.
7. Gas Authority of India Ltd.
8. National Thermal Power Corporation Ltd.
9. Mahanagar Telephone Nigam Ltd.

The 'Navratnas' have freedom to: incur capital expenditure without any monetary ceiling; enter into technology joint ventures or strategic alliances to obtain technology; to effect organizational restructuring including establishment of profit centers, opening of offices in India and abroad; decide on the posts below the Board level; raise capital from

the domestic and international markets; establish financial joint ventures and wholly subsidiaries in India and abroad; and to deal with manpower management.

6. The government further identified some profit making public enterprises as 'Miniratnas' and granted them financial, managerial, and operational autonomy. These were divided into two categories depending upon their recent performance, Miniratnas I and Miniratnas II. Both these categories are those which have positive net worth, have not defaulted in the repayment of loans/interest to the Government and have not sought budgetary support from the Government.

The Miniratnas have freedom to: incur capital expenditure without government approval upto Rs. 300 crores or equal to their net worth whichever is lower (for Miniratnas-I) and upto Rs. 150 crores or upto 50% of their net worth whichever is lower (Miniratnas-II), enter into financial joint venture, establish subsidiary companies and overseas offices, enter into technology joint ventures, and work out their own manpower policies.

7. The system of memorandum of understanding (MOU) was introduced in 1987-1988 after the recommendation by the Arjun Sengupta Committee (the committee to Review the Policy for the Public Enterprises) Report of 1986.

MOU is an agreement between the Government and the public enterprises management to grant autonomy to latter, that is, to reduce day-to-day interference of the ministry in the management of public enterprises. It defines obligations of both the parties for improving performance of public enterprises. It makes public enterprise management responsible for results.

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10.2.6 Check your progress

1 Write any five provisions of New Economical Policy of 1991 pertaining to Public Sector.

.....
.....

2 What is disinvestment?

.....
.....

10.2.7 Globalization Liberalization and Planning In India:

The greatest influence of economic reforms found on the socio-economic planning. In its annual report of 1992-93 the Planning Commission of the Government of India hinted at the application of 'indicative planning' which stress more on 'persuasion' than on regulation and control of the private sector. The government's role in seriously tackling the problems of rural and urban poverty, unemployment, inequalities and regional imbalances would continue to be significant in the foreseeable future. But side by side with the expanding role of the private sector in economic development, indicative planning is likely to be reinforced in certain segments of the economy.

With the 73rd and 74th constitutional amendments in 1993 the Indian bureaucracy is now entrusted with new obligation to make district planning and metropolitan planning effective. It is an important challenge to Indian administrators to implement successfully the system of multilevel planning (centre-state-district-block-village).This requires strategic as well as attitudinal change to shed centralizing tendencies in governance and devise new approaches to resources allocation which would respect responsibility and functional autonomy at all territorial and functional levels.

10.2.8 Check your progress

1 Indicative planning indicates...

a. more stress on 'persuasion' than on regulation and control of the private sector

b. total control of private sector

c. uncontrolled freedom to the private sector

d. absence of planning for public sector

2 Multi level planning necessitate functional autonomy at all territorial and functional levels. True / False

10.3 PUBLIC PRIVATE PARTENERSHIPS

Increasing pace of industrialization, urbanization and population growth placed enormous burden over the governments all over the world. Enlightened public opinion and civil society have

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compounded the pressure on the existing infrastructure, and increased the demand- supply gap in most of the developing world. While the infrastructure gap is rising, government budgetary resources are increasingly constrained in financing this deficit. Thus governments and policymakers felt need to explore new ways of financing and managing these services.

Governments have been pushed to explore new and innovative financing methods in which private sector investment can be attracted through a mutually beneficial arrangement. Since neither the public sector nor the private sector can meet the financial requirements for infrastructure in isolation, the Public Private Partnership (PPP) model has come to represent a logical, viable, and necessary option for them to work together. PPPs enable private investment flows, deliver efficiency gains and enhanced impact of the investments. The efficient use of resources, availability of modern technology, better project design and implementation, and improved operations combine to deliver efficiency and effectiveness. PPP projects also lead to faster implementation, reduced lifecycle costs, and optimal risk allocation. Private management also increases accountability and incentivizes performance and maintenance of required service standards. Finally, PPPs result in improved delivery of public services and promote public sector reforms.

The idea of PPP originated during the debt crisis of 1970s and 1980s. Governments especially in European countries encourage private investment in public infrastructure. In 1992 the Conservative government in United Kingdom introduced the private finance initiative, the first systematic programme aimed at encouraging public-private partnerships. Subsequently governments in Australia adopted systematic programmes based on the PFI like Partnerships Victoria.

10.3.1 Meaning:

Public-Private partnership is the joint venture of Government and Private business operated through their mutual partnership. It involves a contract between public sector authority and a private party, in which the private party provides a public service or project and shoulders a substantial financial, technical and operational risk in the project.

Depending on the type of responsibility shared between both governmental side and private side we can categorize the types of PPP's.

1. In some type of PPP, the cost of using the service is borne exclusively by the users of the
service and not by the taxpayer.

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2. In other types capital investment is made by the private sector on the strength of a contract with government to provide agreed services and the cost of providing the service is borne wholly or in part by the government. Government may also contribute in kind.

3. In projects that are aimed at creating public goods like in the infrastructure sector, the government may provide a capital subsidy in the form of a one-time grant, so as to make it more attractive to the private investors.

4. In some cases the government may support the project by providing revenue subsidies, including tax breaks or by providing guaranteed annual revenues for a fixed period.

5. Typically, a private sector consortium forms a special company called a “special purpose vehicle” (SPY) to develop, build, maintain and operate the asset for the contracted period. In cases where the government has invested in the project, it is typically (but not always) allotted an equity share in the SPY. The consortium is usually made up of a building contractor, a maintenance company and bank lender(s). It is the SPY that signs the contract with the government and with subcontractors to build the facility and then maintain it.

10.3.3 Scope of PPPs:

Since the 1990s, there has been a rapid rise of PPPs across the world. Governments in developing as well as developed countries are using PPP arrangements for improved delivery of infrastructure services. Governments are building transport (roads, railways, toll bridges, airports, tunnel, and flyovers), education (schools and universities), healthcare (Cancer and other diseases research centres, hospitals and clinics), waste management (collection, waste-to-energy plants, sewage and drainage), energy (hydro electric projects) disaster management and water (collection, treatment, and distribution) infrastructure through PPP. Some Public-Private Partnerships are in the realm of specific public health goods. Product development partnerships (PDPs) are a class of public-private partnerships that focus on pharmaceutical product development for diseases in the developing world. These include preventive medicines such as vaccines and microbicides, as well as treatments for otherwise neglected diseases.

10.3.2 Limitations:

Although invented to transform public infrastructure with the help of private enterprises, PPP is not immune from limitations. They have been facing criticism from civil society organizations, public interest groups, media, and other stakeholders. Some of the problematic PPPs have raised concerns about the role of the private sector in public services. Lack of trust in the private sector, tariff increases,

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layoffs, and poor stakeholder management has contributed to these concerns. Certain objections against the PPPs are as follows:

1. High procurement costs of PPPs deter small companies and curtail competition

2. Due to faulty, rushed, noncompetitive, and nontransparent application of the PPP principles some projects failed to deliver expected results.

3. Private investors obtained a rate of return that was higher than the government's bond rate, even though most or all of the income risk associated with the project was borne by the public sector.

4. In many cases it is found that the schemes being proposed were inferior to the standard model of public procurement based on competitively tendered construction of publicly owned assets.

10.3.4 Check your progress

1 Define Public Private Partnership.....
.....
.....
2 PPP projects may include: (Select odd man out)
a. Hospital b. Border Security c. Railway d. water supply
3. PPPs are flawless. True / False

10.3.5 Public Private Partnerships in India

Despite becoming the fast growing economy of the world, India continues to face large gaps in the demand and supply of essential social and economic infrastructure and services. Rapidly growing economy, increased industrial activity, burgeoning population pressure, and all-round economic and social development have led to greater demand for better quality and coverage of water and sanitation services, sewerage and drainage systems, solid-waste management, roads and seaports, and power supply. Increased demand has put the existing infrastructure under tremendous pressure and far outstripped its supply. The infrastructure shortages are proving to be the leading binding constraint in sustaining, deepening, and expanding India's economic growth and competitiveness. India's global competitiveness remains constrained and is adversely affected by lack of infrastructure, which is critical for improved productivity across all sectors of the economy. Poor infrastructure is a major barrier to foreign direct investment (FDI). Lack of infrastructure is preventing the sectoral, regional, and socioeconomic broadening of the economy and its benefits, and is affecting inclusive growth in India. Further the large sections of the population which are labour dependent, low skilled, rural based, and working in agriculture and manufacturing sectors have not received the benefits of accelerated growth of the country.. Infrastructure shortages have slowed the growth of

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manufacturing industries and agriculture, which are the labour - absorbing markets for the low skilled. Poverty levels remain significant, with about one-fourth of the population live in poverty. Growing recognition of the prevailing infrastructure deficit in the country and its impending impact on sustaining economic growth as well as poverty reduction has made development of social and economic infrastructure among the highest priorities of the Government of India (GOI). However, estimated investment requirements far exceed government resources. The expectations can not be met from government's budgetary resources. The scope for making improvements is limited by the state of public finances. Given the large resource requirements and the budgetary and borrowing constraints, GOI has been encouraging private sector investment and participation in all sectors of infrastructure. It has recognized that while public investment in infrastructure would continue to increase, private participation needs to expand significantly to address the existing deficit in infrastructure services.

To resolve the issues arisen out of these situations the Government of India and of the States have adopted PPP model to sustain the developmental needs of the country.

10.3.6 Experience of PPPs in India:

Institutional Efforts:

The GOI constituted, on August 31, 2004, the Committee on Infrastructure (Col), chaired by the Prime Minister. The Col is tasked with steering initiating policies that would ensure time-bound creation of world-class infrastructure, delivering services matching international standards; developing structures that maximize the role of PPPs; and monitoring progress of key infrastructure projects to ensure that established targets are realized. The CoI is supported by the Empowered Subcommittee, which formulates, reviews, and approves policy papers and proposals for submission to Col, and monitors and follows up on implementation of the decisions of Col. The Col has also formed a Committee of Secretaries to prepare and implement an Action Plan for providing adequate road and rail connectivity for India's major ports.

The GOI started Viability Gap Funding (VGF) scheme which is a special facility to support PPP projects especially in the initial years to establish the commercial viability to overcome problems of long gestation periods and economic externalities. The scheme provides 20% funding of the project cost for state or central PPP projects implemented by the private sector developer on a BOT basis (selected through a process of competitive bidding). If required, an additional 20% can be made available by the sponsoring Ministry/ agency or it can come from the state government or any sponsoring statutory agency like local bodies. Sectors eligible for VGF are Transportation (roads, railways, seaport, airport); Power/Energy; Urban Infrastructure (water supply, sewerage, solid-waste

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disposal); Tourism (international convention centers); and special economic zones.

A study conducted by the World Bank of 13 states in 2005 found 85 PPP projects awarded by states and select central agencies (not including power and telecom). Their total project cost was Rs 339.5 billion. The largest number of PPP projects is in the roads and bridges sector, followed by ports, particularly greenfield ports. According to a Morgan Stanley report, more than Rs 1000 billion worth of PPP projects are under development in India. State governments have identified a whole range of sectors for PPP, including roads/highways, ports (air, sea, and container), telecommunication, water supply, waste management, tourism, power, industrial infrastructure, township development, leisure, and health.

Experiences of PPPs in States in India

Experiences of PPPs in India varies from State to State. Large-scale private financing in water supply has so far been limited to a few cities like Visakhapatnam and Tirupur. Most PPPs in water supply projects have been through municipal bonds in cities such as Ahmedabad, Ludhiana, and Nagpur. West Bengal has recorded significant success in housing and health sectors which delivered quality housing and quality living conditions to the lower middle class and the middle class. Gujarat and Maharashtra achieved success in ports, roads, and urban infrastructure. Karnataka also has done well in the airport, power, and road sector. Punjab has had PPPs in the road sector.

Varied institutional framework.

State/UT governments have indicated marked differences in the process of PPP development, including variations in existence of infrastructure legislation and policies, institutional arrangements for identifying and approving PPPs, project development funds and companies, financial structuring, procurement procedures, etc.

States like Andhra Pradesh, Gujarat, and Punjab have legislation to define the infrastructure and outline of its execution by the private sector. Some other states have administrative frameworks in place for decision-making. Madhya Pradesh and Maharashtra are focused on a single sector (roads) by building up capacities in line departments but due to absence of platforms to transfer acquired skills to other departments other departments are lagging behind. Gujarat, Andhra Pradesh, and Punjab have developed cross-sectoral enabling legislation and dedicated agencies but have not had a very successful track record in taking PPPs to the market. Some other states, such as Tamil Nadu, have developed a few PPPs across a wide range of sectors, without explicit cross-sectoral PPP units or legislation. Rajasthan has a cross-sector

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policy/regulatory framework and a project development company but has concluded only one tourism project and a few road projects.

One lesson to be learnt from the implementation of PPPs in India is significant capacity development is required to make available sufficient skilled staff in the Centre as well as States.

10.3.7 Check your progress

1 Committee on Infrastructure is chaired by...

a. Prime Minister b. President c. Finance Minister d. Home Minister

2. VGF scheme is introduced to support PPP projects especially in the initial years to establish the commercial viability to overcome problems of long gestation periods and economical externalities. True / False

3. Non availability of sufficient skilled staff is the important problem of PPPs in India.

True / False

10.4 LET US SUM UP

Dear students we finished the basic understanding of the changing economical conditions in India which have enormous influence on the Administrative System. In the last decade of 20th century India felt need of transformation of its economic policy. It results in the New Economic Policy of 1991. Subsequent flow of Globalization, Liberalization, and Privatization forced the administration to adapt to the new competitive environment with new skills and attitudes. Government of India brought fundamental change in the style of administration from welfare to the neo-liberal. Consequently public sector transformed into entrepreneurial enterprise.

Public Private Partnership is a recent model to provide the services to the population. It entails cooperation between Government and Private sector to achieve the efficiency in the service delivery system in India. Government looking to it as a viable alternative for the leviathanian government.

10.5 SUGGESTED READING

1 Arora R.K., Goyal Rajni; 2009; Public Administration: Institutions and Issues; Wishwa Prakashan

2 Bhattacharya Mohit; 1997; Restructuring Public Administration; Jawahar Publications; New Delhi

3 Hota P.C.; Administrative Reforms in the Era of Liberalization and Globalisation: Need for Change of Mindset of Civil Servants; Indian Journal of Public administration VOL. LIII, No. 3, July-September 2007; p. 356-360.

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10.6 QUESTION PATTERN

1 Elaborate the impact of Liberalisation and Privatization on the Administrative System in India.
2 Discuss the changes brought by the Government of India in policy towards Public Sector.
3 Define Public Private Partnership. Describe its scope and limitations.
4 Examine the working of Public Private Partnership model in India
5 Write short notes.
a. Impact of Liberalization and Privatization on Planning in India,
b. Behavioural influence of GLP over Indian Administration,
c. Indian efforts to implement PPP in India

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Module VI
Unit 11

11

PERSONNEL ADMINISTRATION

RECRUITMENT

UNIT STRUCTURE

11.1 Introduction
11.2 The Process of Recruitment
12.3 Union Public Service Commission
12.4 Questions

11.1: INTRODUCTION

The most striking feature of Indian Administration is the enormous growth in the powers, functions and influence of the civil service in the post independence period. The economic and social compulsions of free India have led to the acceptance of the concept of a welfare state and a socialist society to be achieved through a planned process. Civil service is engaged in a large variety of developmental activities. The growing importance of civil service has led to a significant change in the approach to the civil service. Owing to the tremendous increase in the number of personnel of public services in the post-independence period, the issue of recruitment has assumed great significance. Prior to 1979 a single competitive examination used to be held. There were three compulsory papers: Essay, General knowledge and General English - each carrying 150 marks. But of a number of optional papers three papers of 200 marks each, and two additional subjects (for IAS and IPS only) out of another list of subjects each carrying 200 marks were to be offered. The candidates who qualified in the, written examination were called for interview, which carried 300 marks.

The above system of recruitment in the All India Services was criticized from a number of view points, and the UPSC decided to review the system thoroughly. For this purpose a Committee on Recruitment and Selection Methods under the Chairmanship of Prof D.S: Kothari was appointed by the UPSC. Committee submitted its report in 1976 and made the following recommendations -

1) To hold a Preliminary examination to screen the candidates for the Main examination;

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2) To hold the Main examination to select candidates for entry to the LBS National Academy for a foundation course of about nine months;

3) To hold a post-training test of 400 marks to be conducted by the UPSC on completion of the foundation course, the purpose being to assess personal qualities and attributes relevant to the civil Services

4) To assign candidates to a particular service on the basis of the total marks obtained in the Main examination and the Post-Training Text at LBS Academy, taking into account the candidate's for the Services

5) To allow the candidates to answer all papers, except the language paper, in any language listed in the Eighth Schedule of the Constitution, or in English.

The Kothari Committee's recommendations regarding the examination scheme (preliminary and main) were accepted by the government, and it was implemented by the UPSC in 1979. Accordingly the present system of recruitment was adopted.

11.2: THE PROCESS OF RECRUITMENT TO ALL INDIA AND CENTRAL SERVICES:

All India Combined Competitive Examination for the Civil Services conducted by the Union Public Service Commission (UPSC) comprises of two successive stages:

• Preliminary Examination: It is of objective type, which is a qualifying examination.
• Main Examination: It consists of written examination and interview.

1.2.1: Eligibility conditions:
Educational Qualifications:

• Graduates in any discipline from a recognized university.
• Candidates having professional and technical qualifications recognized by the government are also eligible.
• Those who have appeared in the final year but do not have the result can also apply but they would have to produce proof of passing the exam with their application for the Main Exam.

Nationality:
• For the Indian Administrative Service and the Indian Police Service, a candidate must be a citizen of India

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Age Limits:
• Candidate must have attained the age of 21 years and must not have attained the age of 30 years on 1st August of the year in which examination is being held. The upper age limit may be relaxed in respect of the SC/ST and other backward classes.

• Reservation will be made for candidates belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes and physically disabled categories in respect of vacancies as may be fixed by the Government

Number of Attempts
• A maximum of 4 attempts is permitted to every candidate and 7 to those belonging to Other Backward Classes. There is no restriction on the number of attempts in the case of SC/ST candidates.

Check your Progress:
1. What are the eligibility conditions for the public service?
2. What were the suggestions of Kothari Committee?

1.2.2: Procedure of Civil Services Examinations
The notification of the examination is made in December. The Examination consists of 2 subjects where the mode of testing is via Objective type questions. One paper is compulsory (General Studies) and the other optional (e.g. Economics, Physics, Medical Science, Engineering etc.) This exam is held every year in June and about 300,000 candidates take it.

The Preliminary Examination is followed by the Main Written Examination and a personal Interview. The Main Examination is held in November and December of the same year. Approximately 7000 candidates are called for this examination, chosen on the basis of merit from the Preliminary (Qualifying) exam.

The marks obtained in the Main Examination (Written and Interview) determine the final ranking. The candidates are then allotted to various services on the basis of their ranks and the preferences expressed by them.

Examination Papers:
Preliminary Examination - The preliminary examination consists of two papers:
• Paper I — General Studies 150 marks
• Paper II ~ An Optional subject 300 marks

Subjects for Paper II (one subject to be selected): Agriculture, Animal Husbandry and Veterinary Science, Botany, Chemistry, Civil Engineering, Commerce, Economics, Electrical Engineering, Geography, Geology, Indian History, Law, Mathematics, Mechanical Engineering, Medical Science, Philosophy, Physics,

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Political Science, Psychology, Public Administration, Sociology, Statistics, Zoology.

Both the papers will be of objective type questions (multiple choice). The question papers are set in Hindi as well as in English. The course content for the optional subjects will be of the degree level. Each paper is of two hours duration. Blind candidates are allowed an extra time of 20 minutes for each paper.

Main Examination - It consists of the following papers:
1. Paper I - One Indian language (selected by the candidate) 300 marks
2. Paper II - English 300 marks
3. Paper III - Essay 200 marks
4. Paper IV&V - General Studies 300 marks each
5. Paper VI-IX - Any two subjects (optional papers to be selected by the candidate) with two papers each 300 marks for each.

The Candidate has to select any two subjects but the following combinations are not allowed
• Political Science & International Relations and Public Administration
• Commerce and Management
• Anthropology and Sociology
• Maths and Statistics
• Agriculture and Animal Husbandry and Veterinary Science
• Management and Public Administration
• Animal Husband & Veterinary Science and Medical Science
• Any two branches of engineering.
Each paper is of 3 hours duration.

Interview:
The final stage of selection is the interview which is conducted in April/May every year. It carries a weightage of 300 marks and is conducted by boards comprising of retired and serving senior administrators and academicians. The interview is only held at the UPSC headquarters in New Delhi. About 1400 candidates from those who took the Mains are called for

the interview on basis of merit. Candidate will be asked questions on matters of general interest. The object is to assess the personal suitability and judge the mental caliber of the candidate. The candidate must exhibit an intelligent interest in events happening around him so that he appears to be a complete personality. The final result is announced in June of the year. Thus the entire examination process from the Preliminaries to the Mains takes a year.

Check your Progress:
6. What is the pattern of the preliminary examination?

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7. What is the pattern of the main examination?

11.3 UNION PUBLIC SERVICE COMMISSION

The first Public Service Commission was set up on October 1st, 1926. However, its limited advisory functions failed to satisfy the people's aspirations and the continued stress on this aspect by the leaders of our freedom movement resulted in the setting up of the Federal Public Service Commission under the Government of India Act 1935. Under this Act, for the first time, provision was also made for the formation of Public Service Commissions at the provincial level.

The Constituent Assembly, after independence, saw the need for giving a secure and autonomous status to Public Service Commissions both at Federal and Provincial levels for ensuring unbiased recruitment to Civil Services as also for protection of service interests. With the promulgation of the new Constitution for independent India on 26th January, 1950, the Federal Public Service Commission was accorded a constitutional status as an autonomous entity and given the title - Union Public Service Commission

The Union Public Service Commission has been established under Article 315 of the Constitution of India. The Commission consists of a Chairman and ten Members. The terms and conditions of service of Chairman and Members of the Commission are governed by the Union

Public Service Commission (Members) Regulations, 1969. The Commission is serviced by a Secretariat headed by a Secretary with two Additional Secretaries, a number of Joint Secretaries, Deputy Secretaries and other supporting staff.

The Union Public Service Commission has been entrusted with the following duties and role under the Constitution:

1. Recruitment to services & posts under the Union through conduct of competitive examinations;
2. Recruitment to services & posts under the Central Government by Selection through Interviews;
3. Advising on the suitability of officers for appointment on promotion as well as transfer-on-deputation;
4. Advising the Government on all matters relating to methods of Recruitment to various services and posts;
5. Disciplinary cases relating to different civil services; and
6. Miscellaneous matters relating to grant of extraordinary pensions, reimbursement of legal expenses etc.

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The major role played by the Commission is to select persons to man the various Central Civil Services and Posts and the Services common to the Union and States (viz. All-India Services).

Expenses of public service commissions
The expenses of the Union or a State Public Service Commission, including any salaries, allowances and pensions payable to or in respect of the members or staff of the Commission, shall be charged on the consolidated Fund of India or, as the case may be, the Consolidated Fund of the State.
Under Article 320 of the Constitution of India, the Commission are, inter-alia, required to be consulted on all matters relating to recruitment to civil services and posts.

Recruitment is made by one of the following three methods:
1. Direct Recruitment;
2. Promotion; and
3. Transfer

Direct recruitment is conducted broadly under the following two methods:
1. Recruitment by competitive examination.
2. Recruitment by selection through interview.

Recruitment by competitive examination
Under the Constitution one of the functions of the Commission is to conduct examinations for appointment to Civil Services/Posts of the Union. In addition, competitive examinations are also held, by the Commission under arrangements with the Ministry of Defence for entry to certain Defence Services, through the National Defence Academy, Indian Military Academy, Naval Academy, Air Force Academy and the Officers Training Academy.

The Commission usually conducts over a dozen examinations every year on an all India basis. These include Examinations for recruitment to services/posts in various fields, such as Civil Services, Engineering, Medical and Forest Service, etc. At present the Union Public Service Commission conduct their examinations at numerous venues spread over 42 regular centers throughout the country.

Recruitment by selection
Recruitment by Selection is made by the following methods:
1. By Interview Only
2. By Recruitment Test Followed By Interview

By interview only
Where the number of applicants is very large, it is not practicable to call for Interview all the applicants who fulfill the minimum eligibility conditions prescribed. The Commission, therefore, shortlist the

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candidates to be called for the interview on the basis of certain pre-determined criteria related to the job. A large number of recruitment cases are handled by the Commission by the method (1) above.

By written test followed by interview

In this category, there are two types of procedure followed:

a. An objective-type written and/or practical test to test the skill of the candidates followed by Interview, the final selection being decided by Interview, aided by the performance of the candidates in the written test and/or practical test.

b. An objective-type written and/or practical test to screen candidates to be called for interview, the final selection being decided by Interview only.

Appointment by Promotion and Transfer on Deputation/Transfer

In accordance with the procedure decided by the Government, in consultation with the Commission, Chairman or a Member of the Commission presides over the Departmental Promotion Committee Meetings to consider promotions from Group B to Group A and from one grade to another within group A, where promotion is to be made by Selection.

Extension of functions to local bodies etc

Article 321 also empowers the Parliament to extend the functions of the Public Service Commission to any local authority or other body corporate constituted by Law or by any public institutions.

The Commission have a duty, under Article 323 of the Constitution to present annually to the President a Report as to the work done by the Commission and on receipt of such report, the president shall cause a copy there of together with the Memorandum explaining, as respect the cases, if any, where the advice of the Commission was not accepted, the reasons for such non-acceptance to be laid before each House of the Parliament.

Assessment of the working of UPSC

The UPSC was envisaged as an expert body and a non-partisan organization which would be the major recruiting agency for public personnel. However the role and functioning of UPSC has come under the serious criticisms from time to time.

• UPSC holds the responsibility of recruitment of the public personnel. It is the recruiting agency of the All India Services and the Central Civil Service, Class I and class II which

constitute only 2% of the central Government Employees. The responsibility for staffing lower services and posts rests with the department concerned. The Class III and Class IV employers constitute about 98% of the total number of the Central Government Employees. But UPSC is not consulted in their appointments.

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• The UPSC is not consulted in regard to selection of appointments of the
- Posts of higher diplomatic nature
- Membership or chairmanship of Tribunals or Commissions
- Posts in the Secretariat of the Lok Sabha and the Rajya Sabha.
- All technical and advisory posts in or under the Atomic Energy Commission
- Judicial Commissioners and Additional Judicial Commissioners, District Judges and Additional District Judges in Union Territories.

• Further, UPSC is set aside by the government by resorting to some devices such as making of ad-hoc appointments for a temporary period, without consulting the Commission
• The recommendations of UPSC are only advisory in nature. The government is at liberty to accept or reject the advice given by the UPSC which reduces its effectiveness.

• The method of recruitment employed by the Commission also has come under the criticism. The procedure of recruitment is quite lengthy and the recruitment takes a long period of time. The interview test has been criticized as being weighted in favor of the Urban English medium school products and is discriminative against candidates having rural background.

11.4 QUESTION

1. Explain the structure of UPSC
2. What are the function of UPSC
3. Write on recruitment

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Module VI
Unit 12

12

PERSONNEL ADMINISTRATION

1. Training
2. Integrity in Administration

Unit Structure
12.1 The Training
12.2 Lal Bahadur Shastri National Academy
12.3 Corruption
12.4 Integrity
12.5 Central Vigilance Commission
12.6 Suggested Reading
12.7 Questions

12.1: THE TRAINING

To make public service competent and responsive to the aspirations of the people, training is needed for the new entrants in the service. The importance of the training for the public service employees was recognized as early as in 1798 by Wellesley, Governor General of India. He had established a training college at Calcutta for the new recruits of the Company. After independence a large number of training institutions have been set up for imparting training to all classes of public employee right from the All India Services to the village level worker the lowest public employee. Prior to 1947, major part of the training consisted of "on job" training under the supervision of a senior officer. The Government of India established a Training School for IAS probationers at New Delhi in March, 1947. In 1957, IAS Staff College was established at Simla to conduct refresher courses for the IAS officers. On April 15, 1958the decision was taken to set up a "National Academy of Training". In September 1959, the Govt. of India decided to merge the two training institutions, the IAS Training School, Delhi and IAS staff College, Simla and to set up National Academy of Administration at Mussorie. The Academy is known as Lal Bahadur Shastri National Academy of Administration since 1972.

12.1.2: TRAINING IN INDIA:

The basic objectives of the IAS Professional Course Phase I, as suggested by the Syllabus Committee are
To Understand-

• The Theoretical principles underlying the political process and national goals through the study of prescribed subjects:

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• Basic political Concepts
• Constitution of India.
• Basic Economic Principles and
• General administrative Knowledge.

12.1.3 : Training programme:

• The IAS probationers stay in Academy from July to December for foundational and a brief spell of institutional training.
• The probationers are sent to the state to which they are allotted for practical training for a period of one year.
• Second spell of institutional training lasts for six months that is January to June in the subsequent year.

12.1.4 : Foundation training - objectives

- To give the probationers a basic understanding of the Constitutional, political, economic, legal and social framework within which these officers have to work
- To impart basic knowledge on the 'core' subjects
- To promote a common outlook, and common understanding amongst members of various higher services
- To help in building up right attitudes and values and the qualities of leadership and org skills which make a civil servant proficient in his duties.

At the end of the course exam is conducted and also a proficiency test in Hindi is conducted + they are provided lessons in the regional language of the state to which they are assigned. In December initial advanced training is given a special emphasis is placed on Law and Economics. And professional course exam is conducted in the mid of December.

In the second spell of training the probationers go for practical "on Job" training to the state to which they are allotted. This training is intended for understanding the field situation and application of knowledge and skills acquired in phase I. The training consists of the following.

- A short period in the state-secretariat;
- Work in collectors office;
- Work in treasury;
- Acquaintance with settlement and land records;
- Work in district office and inspection of police station;
- Work in development departments such as agriculture, cooperation, irrigation;
- Work in sub-divisional office;

- Magisterial and other judicial duties.

After completing the practical training at the state, the IAS probationers are brought back to the academy for the Second spell of training for 3 months duration. At this stage the probationers are

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not in a frame of mind to receive further theoretical training and usually evince great keenness in seeking answers to the problems faced by them in the course of the practical experience gained in the districts. The emphasis is therefore on the discussion of administrative problems. Thus the training is problem oriented.
At the end of this training the probationers appear at final examination conducted by UPSC. On the successful completion of the training he is given charge of a sub division. In order to widen his experience, the probationer is transferred from district to district. After 6 to 7 years of service he is assigned independent charge of a district.

12.2 : LAL BAHADUR SHASTRI NATIONAL ACADEMY OF ADMINISTRATION:

12.2.1 : ORGANISATION:

The responsibility of administration of the Academy is entrusted to the Director of the rank of a Secretary/Additional Secretary to the Government of India. He is assisted by a Joint Director, of the rank of a Joint Secretary to the Government of India and three Senior and three Junior Deputy Directors, of the rank of Deputy Secretary to the Government of India.
These senior officials are posted to the Academy usually for a period of 3 years. The Directing Staff is responsible for

- The management of Academy
- Running of courses
- Maintenance of discipline and other problems related with day to day working of the Academy.

The Faculty consists of the professors of Economics, PA, Political Theory, Constitutional Law, Social Administration and Indian History and Culture. The teaching work is shared by the directing staff and the academic staff. Practicing Administrators are also appointed as “Supervisors of studies” for teaching purposes. Guest lecturers are also invited from time to time. Lectures are supplemented by tutorials and group discussions.

12.2.2 : Role and Functions:

- To provide post-entry foundational training to the recruits of the All India and Central Class I services to enable them to benefit by close contact with each other

- To provide professional training to IAS probationers for one year including the foundational training. The one year training is in two phases of 9 months and 3 months duration + one year’s practical training in the district of their states of allotment.

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- To organize refresher courses for IAS officers of 6-10 years seniority.

- To conduct an Advanced Management Development Course for officers of the All India and Central Services of 11-16 years seniority.

- To organize an intermediate course for the state civil service officers officiating for at least 2 years on IAS cadre or equivalent posts of the state. And also directly recruited IAS officers of 6-10 years seniority to give them an All India background and outlook

- To conduct seminars and conferences of officers of senior level of government and to create a forum for a change of administrative ideas and experience.

- To conduct field studies in PA and to publish teaching materials for training officers in the disciplines, relevant for training in public administration.

- To publish articles, research papers, syndicate group reports, book reviews, notes and comments on various aspects of PA through the Academy Journal

12.2.3 : Check your Progress:
• What are the objectives of training?
• Explain the importance of foundation training
• What is meant by "on job" training?

12.3 : CORRUPTION

Corruption is an abuse of public resources or position in public life for private gain. The scope for corruption increases when control on the public administrators is fragile and the division of power between political, executive and bureaucracy is ambiguous. Political corruption which is sometimes inseparable from bureaucratic corruption tends to be
more widespread iri authoritarian regimes where the public opinion and the Press are unable to denounce corruption. In India, however, in spite of a vigilant press and public opinion, the level of corruption is exceptionally high. The increase of opportunities in State intervention in economic and social life has vastly increased the opportunity for political and bureaucratic corruption, more particularly since politics has also become professionalized.

12.3.1 : Forms of Corruption
The report of the Santhanam Committee identifies following forms of corruption:

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Securing pecuniary benefits:
The Committee felt that the most common form of corruption was securing some kind of pecuniary or other material advantages directly or indirectly for oneself or family or relatives or friends by misusing one's official position.

Another widespread form of corruption is "speed money".:
With the complexity of the modern welfare state, a number of laws, rules and regulations have come into force. For example, for getting any services from the government or having any transactions which the government requires the observance of government procedures and formalities which take time; often the administrating officials cause deliberate delay in completing this process or charge some "speed money" for shortening it.

Another form of corruption is embodied in the liaison men who try to cultivate close social relations with senior officers who are in a position to influence the government policies in their favour. Needless to say that tries to give a number of favours to win them over. A number of other forms of corruption have been pointed out in various reports of different committees and commissions which examined the question of corruption from time to time. Some of them are indicated below:

8. Donations by rich individuals and big companies to the political parties are a very important and widespread form of corruption. Since the major beneficiary is the ruling party, it influences the administrators in passing on some undue benefits to the donors.

9. Sometimes the private companies offer jobs to retired officials. This may lead to corruption in as much as an officer may bestow undue favour to the company in the expectation of future employment. To some extent a remedy has been provided for this by prohibiting the government servants and their family members from taking up private employment within two years of their retirement.

10. In all contracts of construction, purchases, sales and other regular business on behalf of the Government, there is a chance of money being passed on to the Government officers for showing some favours in relaxing the specifications, etc.

11. Sometimes the corruption operates at lower levels also when money is demanded for helping a person in his service matters like promotions, transfers etc.

12. At times, the performance evaluation of an honest officer is distorted for not meeting the pecuniary demands of the superior officers. The resulting damage to the moral of honest officers can be well-imagined.

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13. Then there are some minor forms of corruption like availing of the facilities of private guest houses, lavish expenditure during the tours of Ministers and senior officers, etc. No list of mode of corruption can ever be complete. The methods listed above give only a small sample. A dishonest officer can discover methods of corruption in almost any situation.

12.3.2 : Harmful effects of Corruption

Corruption in high places affects the very fabric of the social system. It has many direct and indirect harmful effects. Some of the important ones are described below:

i) Corruption in high places reduces the faith of the people in the Government. The people expect high standards of morality from their rulers. When these standards are not met, it may result in the alienation of people from the Government.

ii) Corruption increases the effective cost of administration. The people who are in any case paying to the Government for its services in the form of taxes are unofficially required to pay more to its officers.

iii) The widespread corruption in the bureaucracy causes cynicism and social disunity. This may reduce the willingness of the people to make sacrifices for the economic development of the society.

iv) Corruption comes in the way of making decision on merits. When the decisions are made on the basis of pecuniary benefits to be obtained from the transactions, the merit naturally gets the second place. There is even a possibility of sacrificing the national interest for the sake of these benefits. This may for example, happen in case of purchase of sub-standard arms, which may not be effective during a battle.

v) Corruption has a very adverse effect on the morale of the honest officers. In fact, it militates against the very basis of the principles of a pure bureaucracy. When the evaluation of work, placement and promotion are dependent on consideration other than merit, the whole system may be vulgarized and demoralized. Corruption has often resulted in a tremendous waste of national resources. For example, purchased goods not used for years result in the depreciation of goods as well as increase in inventory cost.

12.3.3 : Check your Progress:

- **What are the different forms of corruption?**
- **Explain the harmful effects of corruption.**

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12.4 : CAUSES OF THE DECLINE OF INTEGRITY

Decline in integrity is a complex phenomenon, which naturally has complex causes. A curious mixture of historical, social, political and economic factors causes the phenomenon of corruption. We describe below some of these causes:

Historical Causes

a) The colonial Government paid their own senior officers handsomely. The local officers, working mainly at lower levels, were paid very poor salaries. This definitely affected their integrity.

b) During World War II, there was scarcity of goods; even articles of common consumption like food, clothing etc. were available on ration cards. All these controls provided opportunities for corruption. The climate for integrity which had been rendered unhealthy by war time control and scarcity was further aggravated by the post-war flush of money and inflation. The salaries of the employees did not keep pace with inflation. The increasing economic activity with excessive Government controls created the climate for corruption on a large scale.

Post-independence Problems

The administrative machinery of the independent India was considerably weakened by (a) war-time neglect; (b) sudden departure of a large number of British and Muslim Officers. A large number of promotions of people of unproved merit had to be done. A large scale recruitment also brought down the quality of the staff recruited. All this resulted in a great turmoil in the administrative system. The stability and the continuance of traditions received a jolt.

Environmental Causes

A very important cause of corruption is the vast urbanization and industrialization. This created an environment in which material possession and economic power determine the status and prestige of a person in the society. Since the salaries of the Government servants were not enough to afford this ostentatious living, this created a lot of strain on the integrity of the administrative officers.

Economic causes

Inadequate compensation to the Government servants in the form of low salaries and benefits is by far the most important cause of corruption in the society. The increasing prices have brought down the real income of the Government employees, especially those in a higher position whose salaries have not at all been protected against inflation. When the salaries are not enough to meet even the basic needs of the employees, they naturally succumb to the temptations of illegal money.

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Lack of Strong Public Opinion against Corruption
The officials, even when they are known to be corrupt are often not looked down upon in the society. In fact, they are often more respected than their honest counterparts because of their ability to help and entertain their friends and relatives. Sometimes the corrupt politicians are re-elected to high offices by the people even when corruption charges against them are established by judicial enquiry. Very often corruption is accepted by the people as a way of life and they do not complain against it.

Corrupting influence of big industrial magnates
A number of big businessmen try to oblige the Government servant in many ways to obtain some favours in future. They take it as an investment for the future. This acts as a temptation to the Government servants.

Complicated and Cumbersome Procedure
The procedure of the Government even in respect of simple things like getting a ration card has unnecessarily been complicated. This provides the Government employees an opportunity to extract money from the clients. The situation probably can be remedied by simplifying procedures and reducing the discretion of the lower staff.

Existence of influence peddlers
The cumbersome procedures of the Government and all pervasiveness of Government controls have created a tribe of influence peddlers. These people maintain liaison in the Government offices. They get the work of the clients done through their contacts in the Government. They operate at all levels. In fact, they are the middlemen of the corruption between the Government employees and their clients

Inadequate Provisions and Enforcement of the Law
The Indian Penal Code and Prevention of Corruption Act do not provide adequate framework for punishing the guilty officers. Moreover, the administration of these laws leaves much to be desired. Not many prosecutions are launched. Out of the prosecutions launched not many are
pursued vigorously. The result is that a number of guilty persons do not get punished.

This encourages the dishonest employees in continuing their corrupt practices. **Undue Protection Given to the Govt. Employees**

The constitution of our country as well as the disciplinary procedures etc., make it almost impossible to take action against corrupt employees. Naturally, there is nothing to deter them from

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following'their corrupt practices with a vengeance if they are so inclined.

12.5 : CENTRAL VIGILANCE COMMISSION

In the decade of 1960s the members of Parliament expressed the serious concern on "Growing menace of corruption in administration". This led to the formation of a Committee on Prevention of Corruption, popularly known as Santhanam Committee, to review the problem and make suggestions. Among other things, the Santhanam Committee noticed the conspicuous absence of a dynamic integration between the vigilance units in various Ministries and the Administrative Vigilance Division in the Ministry of Home Affairs. The Committee also raised an important issue that the Administration could not be a judge of its own conduct. The Central Vigilance Commission was, therefore, conceptualized as an apex body for exercising general superintendence and control over vigilance matters in administration under Government of India Resolution dated 11.02.1964. The establishment of the Commission was considered essential for evolving and applying common standards in deciding cases involving lack of probity and integrity in Administration. The Central Vigilance Commission was given statutory status and performs the functions assigned to it in terms of Government of India's Resolution dated 11.02.1964, which are as under:-

- To undertake an inquiry or cause an inquiry or investigation to be made into any transaction in which a public servant working in any organization, to which the executive control of the Government of India extends, is suspected or alleged to have acted for an improper purpose or in a corrupt manner; tender independent and impartial advice to the disciplinary and other authorities in disciplinary cases having vigilance angle at different stages of investigation, inquiry, appeal, review, etc.;
- Conduct oral inquiries through its officers [Commissioners for Departmental Inquiries] in important disciplinary proceedings against the said public servants; exercise a general check and supervision over vigilance and anti-corruption work in Ministries or Departments of the Government of India and other organizations to which the executive control of the Union extends;
- Initiate at such intervals, as it considers suitable, review of procedures and practices of administration insofar as they relate to maintenance of integrity in administration; scrutinize and approve proposals for appointment of Chief Vigilance Officers in various organizations and assess their work;
- Conduct, through its organization of Chief Technical Examiners, independent technical examination mainly from vigilance angle, of construction and other related works undertaken by various Central Government organizations;

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- Organize training courses for the Chief Vigilance Officers and other vigilance functionaries in Central Government organizations.

  In addition to the above functions, the Central Vigilance Commission was empowered, under the CVC's Ordinance to:-
- Exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE) insofar it relates to investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988;
- Review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the PC Act;

  Under the authority of Government of India's Resolution dated 11.02.1964, the Commission was empowered to undertake an inquiry into any transaction in which a public servant was suspected or alleged to have acted for an improper purpose or in a corrupt manner irrespective of his status. It was only through subsequent administrative instructions that the Commission's jurisdiction was restricted to certain categories of employees for the purposes of its advice. Even in that situation, the Commission could call for a report on any complaint of corruption, misconduct, lack of integrity, misdemeanor, etc. against any public servant irrespective of his status. While the intention of the Supreme

12.5.2 Organization:

The Commission was accorded statutory status through an Ordinance dated 25.08.1998, The Ordinance envisaged the Commission to be a multi-member Commission, consisting of the Central Vigilance Commissioner (Chairman) and not more than four Vigilance Commissioners as its members. The appointments of the CVC and the VCs were to be made by the President by warrant under his hand and seal on the recommendations of a committee consisting of (i) The Prime Minister, (ii) The Minister of Home Affairs and (iii) Leader of the Opposition in the House of People.

The Central Vigilance Commission is assisted by a Secretary, who is of the rank of Additional Secretary to the Government of India, two Additional Secretaries, who are of the rank of Joint Secretary to the Government of India, 10 Officers of the rank of Directors/Deputy Secretaries, an Officer on Special Duty, four Under Secretaries and other staff. In addition, there are fourteen officers, designated as Commissioners for Departmental Inquiries (CD's), who are nominated to conduct departmental inquiries relating to major penalty proceedings on behalf of the disciplinary authorities in serious and important disciplinary cases.

12.5.3 Check your Progress:

• What are the forms of corruption?
• What are the effects of corruption?
• What are the causes of corruption?

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12.6 LETS US SUM UP:

Consequent to the expansion in the activities of the State, a significant change has taken place in the approach to the civil service. Traditionally the functions of the civil service were largely of preventive nature. But in the modern times the main concern of the State is to create a positive motivation among officials which would enable them to give their best to the public service. The public administration has to be action-minded and human relations oriented. The public service must have a concern more for the people than for the regulations and procedures. It must be dynamic and public spirited and able to win public approval, consent and cooperation.

12.6 : SUGGESTED READING:

- Public administration in theory and practice - M.P. Sharma and B.L Sadan
- Public administration - Mohit Bhattacharya
- Modern public administration - Nigro and Nigro
- Personal Administration - Public personal administration - O. Glennstal
- Central administration in India: Central administration - A. Avasthi
- Civil Services in India : Indian administration - S.R. Maheswari, State
- IGNOU Study Materials
- IJPA articles on relevant topics
- Current News Papers

12.7 : QUESTION PATTERN

1. Explain the procedure of recruitment to All India Services.
2. Explain the procedure of Civil Service Examination.
3. Discuss the objectives of training to All India Services with reference to training programme.
4. Examine the structure and role of Lal Bahaddur Shastri National Academy of Administration
5. Critically examine the role and functions of Union Public Service Commission.
6. Account for the causes of decline of integrity in Public Administration.
7. Write a note on Central Vigilance Commission.

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Module 7
Unit 13

13

FINANCIAL ADMINSTRATION – BUDGETARY PROCESS

Unit Structure :- Budgetary Process

13.0 Introduction
13.1 What is Budget?
13.2 Importance of Budget.
13.3 Budgetary process
13.4 Preparation of the Budget in India.
13.5 Enactment of Budget in India.
13.6 Execution of Budget.
13.7 Performance of Budget.
13.8 Unit end Questions

Objective : To understand Budgetary process in India.

13.0 INTRODUCTION - BUDGETARY PROCESS

Financial administration is one of the most important aspects of public Administration. Financial administration involving the machinery and Method by which funds required for the public services are raised, spent and accounted for, is at the very core of modern government.

13.1 : What is Budget?

Indian constitution defines Budget as "The annual statement containing an estimate of all anticipated revenue and expenditure of the government for the coming financial year."

In the hands of administration, the Budget is a record of the past performance, a method of current control, and a projection of future plans.

"Budget is a financial document of the government as presented to the Legislature and sanctioned by the Legislature."

According to Dimock - "A Budget is a financial plan, summarising the financial experience of the past, stating a current plan and projecting it over a specified period of time in future."

Tayler says, "Budget is a financial plan of government for a definite period."

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Origin of the term 'Budget' has been derived from a french word "Bougette" meaning a leather bag used for carrying official papers. The Story goes that the term was used in its present sense for the first time in 1733 in a satire "Opening of the Budget" directed against Walpole's financial plan for that year. In England the chancellor of the Exchequer used to carry to the House of commons a leather bag containing papers, on financial plans. He used to open his Budget i.e. the bag. Since then the term has been used for a financial statement of annual income and expenditure of the government.

In conclusion : The Budget is a statement of expected revenue and proposed expenditure for a year. It sets forth the procedure and manner in which the revenue is to be collected and the administration of expenditure is to be carried out.

13.2 : IMPORTANCE OR PURPOSE OF BUDGET

1. It helps administrative mangement and co-ordination.
2. It is an instrument of social and economic policy.
3. Budgetary system is the most important technique of parliamentary control over administration.
4. It ensures the financial and legel accountability of the executive to the legislature.

If a government desires to achieve through its public administration certain socio-econmic goals, it has to make arrangements for the requisite finance. In the absense of proper financial resources, the governmental programmes would become a mere paper execise. When public money is sent for public purposes, the important task before public administration is to have efficient management of public money. Budgeting is one of the major processes by which the use of public resources is planned and controlled.

13.3 : BUDGETARY PROCESS

The Budgetary process in a modern state consists of the following stages :-

1. Preparation of the Budget.
2. Enactment of the Budget.
3. Execution of the Budget.
4. Legislative control of the Budget.

13.4 PREPARATION OF THE BUDGET IN INDIA

A) Which agency make the Budget?

The responsibility for framing the budget in India is entrusted to the President of India. Under Article 112 of the Indian constitution, the President shall cause to lay before both the Houses of parliament

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every financial year a statement of the estimate receipts and expenditure of the Government of India for the year.

In practice, the president instructs the council of Ministers to undertake the job and the job is performed by the Ministry of Finance.

13.3.2 : B) Stages : The Preparation of budget takes place in the following stages :-

1. Preparation of the preliminary estimates by the Heads of Departments.
2. The Scrutiny and Review by the controlling officers.
3. Scrutiny and review of the estimates by the Auditor-General.
4. Scrutiny and review of the revised estimates by the ministry of Finance.
5. Estimating the Revenue.
6. The final consideration of the consolidated estimates by the cabinet.

1) Preparation of the preliminary estimates by the Heads of Department :- The Finance Ministry Supplies skeleton forms to the administrative heads of departments of expenditure in the month of July. The skeleton forms call for details regarding :

1. Actual for the previous year.
2. Sanctional estimates for the current year.
3. Revised estimates for the current year.
4. Budget estimates for the next year.

2) The scrutiny and Review by the controlling officers :-The skeleton information is scrutinised, reviewed, finalized and consolidated by the Heads of administrative departments Such estimates are forwarded to finance Ministry in the month of November.

3) Scrutiny and Review of the estimates by the Auditor - General : One copy of the department's preliminary estimates is forwarded to the Auditor General of India. The Auditor General scrutinize the estimates from an accountants angle to ensure compliance of technical requirements. The administrative heads of the various departments keeps in view the comments of the comptroller and Auditor General while preparing the revised estimates of their departments.

4) Scrutiny and review of the Revised Estimates by the Ministry of Finance : The revised estimates are thereafter verified by the Finance Ministry.

5) Estimating the Revenue : The work of estimating the revenue is the responsibility of the Finance Ministry. The Ministry compares the figures of income and expenditure with previous year's figures

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and proposes changes in the existing rates if necessary. At this stage the Budget Division in the Ministry of Finance prepares an estimate projection of revenue and expenditure of the Government of India for the ensuing year. On the basis of the estimated expenditure and proposals regarding fresh taxes the 'Draft Budget' is prepared by the end of December.

6) The final consideration of the consolidated estimates by the cabinet : The draft budget is examined by the Finance Minister in January. He consults the Prime Minister and prepares his financial policy.

At the end of February the budget is finalised by the Finance Minister. The skeleton budget are submitted to the cabinet for its consideration and are usually approved 'as it is' by the cabinet. After the budget is approved by the cabinet, it is presented to the parliament usually on the last working day in the month of February by the Finance Minister.

13.3.3 : Conclusion : Thus in the first stage of Budgetary process i.e., preparation of the Budget includes six stages. These stages consist of the formulation of estimates of revenue and expenditure for the estimates of revenue and expendture for the ensuing financial year.

13.5 : ENACTMENT OF THE BUDGET :

Enactment of the Budget is the second stage of Budgetary process. It means approval of the Budget by the parliament and ratification by the president.

Article 265 of the Indian constitution provides that "No tax shall be levied or collected except by authority of law."

Article 266 provides that, "No moneys out of the consolidated Fund of India shall be appropriated except in accordance with law and for the purposes and in themanner as passed by the Legislature."

Consideration :
The Stages in the enactment of the budget are as follows : These stages are five -
1. Presenting the Budget.
2. General discussion.
3. Votingof Demands for Grants.
4. Consideration and passing of Appropriation Bill.
5. Consideration and passing of Finance Bill.

1. Presenting the Budget.
The President of India convenes the Budget session of the parliament, usually in the month of February. The Budget session

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commences with the President's address and followed by the presentation of the Budget.

The Budget is presented in two parts. one is Railway Budget and other is General Budget. The Railway Budget is presented in the third week of February by the Union Railway Minister which contains proposals of expenditure and revenue pertaining to the Railway. The General Budget is presented on the last working day of February by the Union Finance Minister.

The Budget speech of the Finance Minister gives information relating to general economic conditions of the country. Financial policy to be followed by the government, the explanation for the difference between the budget estimates and the revised estimates of the current year. It highlights the taxation proposals, new schemes launched by the government.

The Finance Minister, along with the Budget submits a number of documents to parliament. Finance Minister submits the Budget and concludes his Budget speech. After that there is no discussion on the Budget in the House. Budget is presented only in the Lok-Sabha.

2. General discussion on Budget

The speaker of LokSabha fixes the date on which general discussion on the Budget take place. Such discussion usually takes place one week after the presentation of the Budget. Four days are allotted for the general discussion on the Budget. Such general discussion on the Budget takes place in both the Houses of Parliament simultaneously. At the time of general discussion "the House shall be at liberty to discuss the Budget as a whole or any question of principle involved therein. The Finance Minister gives reply to the issues raised in the course of discussion."

In this stage Budget is not submitted to the vote of Parliment.

3. Voting of Demands for Grants.

The next stage in the enactment of the budget is voting of Demands for grants. It means voting on the expenditure part of the budget. These demands are presented ministrywise. The speaker in consultation with the leaders of the Various political parties allots time for discussion. The discussion on the voting of demands continues for 26 days and within this period all the demands are supposed to be discussed and passed, A demand duly voted becomes a grant. It should be noted that the House can only reduce a demand, but cannot increase it. The voting of demands is the exclusive privilege of the Loksabha. Rajya Sabha has no role to play except discussing the demands for grants.

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This stage of enactment of budget gives the members of the parliament an opportunity to criticise the working of the Ministry whose demands are voted by the House. They can move cut motions such as policy cut motion, economy cut motion and concentrate discussion on specific issues. Such motions, when put to vote, are usually defeated but such motions enable the members of Parliment to expose the inefficiency, unstisfactory working and other deficiencies.

4. Consideration and passing of Appropriation Bill.
After voting of demands is over, the budget enters into the stage of enactment. i.e. the consideration and approval of the Appropriation Bill. All the demands for grants voted by the Loksabha and the expenditure charged on the consolidated fund of India are put together and incorporated in the Annual Appropriation Bill.

The Appropriation Bill is introduced in the Loksabha. The Bill follows the same procedure in the House as any other money bill. After the Bill is passed in the House, it is certified by the speaker as a money bill and it is sent to the Rajyasabha.

Rajyasabha is empowered to discuss the bill and make recommendations within 14 days to the Loksabha. The latter may or may not accept the recommendations. In case the Rajasabha does not return the bill within the 14 days, the bill is deemed as passed by that House.

After the Bill is passed by both Houses of parliament it is sent to the President of India for his formal assent.

5. Consideration and passing of Finance Bill
Finance Bill means taxation proposals. It contains the proposals for revenue for the ensuing financial year. It embodies the proposals for imposing raising or renewal of taxes. The procedure for the enactment of the financial Bill is the same as in passing of money bill. When this bill is enacted by parliament and receives the formal assent of the President, the government is authorised to collect taxes as provided in the Finance Bill.

Conclusion :
Thus Enactment of the Budget consists of approval of the parliament to the Finance and Appropriation Bills.

13.6 : EXECUTION OF THE BUDGET

It means the implementation of the Budget. After the enactment of the Budget by the parliament, ministries and attached offices of the Government are authorised to incur expenditure.

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Control of the Finance Ministry :
Parliament sanctioned the grants as a whole and not to individual ministers. The Finance Ministry exercised control on the spending of Ministries. The control of Finance Ministry is continous. At the time the money is actually spent, the Finance Ministry exercises stringent control. It is based on the notion that the parliament makes the grants to the Government as a whole and not to individual Ministries. The Finance Ministry, as the agency managing the finance, has to be convinced about the desirability and prudence of the proposed expenditure before it lets the spending Ministry involved to proceed with it. The concurrence of the Finance Ministry is not required for the normal existing expenditure, but new expenditure must have the prior approval of the Finance Ministry. The Budget division of the Ministry of Finance applies broad checks and determines gross amount for the various schemes.

13.7 : CREATION OF FINANCIAL BRANCH

Each administrative Ministry has a Financial Branch consisting of the Financial adviser, Deputy Financial Adviser. This staff is solely concerned with the financial and budgetary work and is associated with the formulation of proposals to be included in the budget.

Accounting -
The secretary of Ministry is deemed as the chief accounting authority. The secretary signs appropriation accounts and ensure preparation of Financial accounts of his Ministry. Each Ministry, in consultation with the Auditor - General determines the manner in which its accounts are to be maintained and furnished to the comptroller and Auditor - General. The Ministries also evolve suitable procedures to facilitate the linking of accounts with performance budgeting and performance appraisal. Finance Ministry watches the progress of expenditure in the spending departments through monthly expenditure statements, periodic reports from them and cautioning them when necessary. Thus such control is essential to maintain Financial accountability of the government.

13.8 : QUESTIONS

1) Explain the concept of ‘Budget’ and state its importance.
2) State the stages in the preparation of the union Budget?
3) How is the Union Budget enacted by the Parliament?
4) Discuss the post - budgetary control of Finance Ministry.
5) What is performance Budget? Examine its nature in the India context.

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MODULE 7
Unit 14

14

FINANCIAL ACCOUNTABILITY

Unit Structure :

14.0 Introduction
14.1 Nature of Financial Accountability
14.2 Means of ensuring Financial Accountability
14.2.1 Estimate Committee
14.2.2 Public Accounts Committee
14.2.3 Committee on Public Undertakings
14.2.4 Evolution
14.2.5 Audit as a means of Financial Control
14.2.6 The Comptroller and Auditor – General of India.
14.2.7 Unit End Questions

14.0 INTRODUCTION

Adminstration and finance are intimately related Every administrative act involves expenditure of money. Hence foremost attention shall be paid to the treasury. Sound fiscal Management is essential for smooth working of the governments. As revenue is derived from the citizens, it is morally binding upon the government to spend money efficiently and economically. Hence Financial control and financial accountability is necessary.

Unsound financial administration blasts the prospects of democracy. The unprecedented increase in governmental expenditure in modern times makes it absolutely necessary, that sound principles, tools and techniques of financial administration are evolved and employed by all governments. The American people had raised the banner of revolt when the British parliament imposed unjust taxes without consulting the representatives of the native population by giving slogan." Notaxation without representation,"? Since that time the principle of accountability of the government, to those from whom the taxes collected, has been firmly established. This financial control is also described as 'financial accountability' of the government to the people and is ensured through their elected representatives.

14.1 : NATURE OF FINANCIAL ACCOUNTABILITY

The executive branch formulates its work programme for the year in the form of the budget and presents it to the legislature.The legislature is the fund - raising and fund-granting authority.

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In India, by provision of Article 112 of the constitution, the President causes, to be laid before both the Houses of Parliament, a statement of the estimated receipts and expenditures of the Government of India for the financial year. It is called the 'Annual Financial Statement.' It indicates the sums to be charged on the Consolidated Fund of India and the money required to meet other expenditures. Thus, all proposals for grants and taxation emanate from the executive and are sanctioned only by parliament. To safeguard the rights and interests of the tax payer and to ensure financial accentuation of the executive branch, three fundamental institutional safeguards are provided Viz.

a) No tax can be levied or collected except by authority of law :
b) No expenditure can be incurred from public funds except in the manner provided in the Constitution, and in accordance with law, i.e., unless it has been Sanctioned by Parliament.
c) The executive is bound to spend money in the manner as sanctioned by Parliament. This control is exercised through the Comptroller and Auditor-General.

14.2 MEANS OF ENSURING FINANCIAL ACCOUNTABILITY

The principal means of ensuring financial accountability of the government is the budgetary control. It is the basis of efficient fiscal management.

Effective control of the Parliament over the governmental expenditure requires that the Parliament should satisfy itself that the appropriations have been utilised economically for the approved purposes within the framework of the grants. It should undertake a detailed examination of the annual budget etimates of the government to suggest possible economies in the implementation of the plans and programmes embodied therein. Both these functions are importance in making the parliamentary control over governmental expenditure complete. The Parliament does not have time to exercise these functions, therefore, the Parliament constitutes its committees and entrusts them these functions. Parliamentary committees in India are the Estimates Committee, the Public Accounts Committee and Committee on Public Undertakings.

A brief account of these committees is given below:

14.2.1 : Estimates Committee

The establishment of the Estimate Committee was urged in 1937. The Estimates Committee was, however, created in April 1950. The Estimates Committee is a standing committee of the Parliament and is set up every year. Its functions, method of appointment and other relevant provisions are laid down in the Rules 310 to 312 of

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Procedure and conduct of Business in the Lok Sabha.

Composition :
The Estimates Committee consists of 30 members of the Lok Sabha, who are selected by the method of proportional representation by means of a single transferable vote. The political parties secure representation proportional to their numerical strength in the Lok Sabha. The Chairman of the committee is nominated by the Speaker. If the Deputy Speaker is member of the Committee, he automatically becomes the chairman of the Committee. No Minister can be appointed in this Committee.

Functions : The Estimates Committee has been entrusted with the following functions :

a) To report, what economies, improvements in organisation, efficiency and administrative reforms, consistent with the policy underlying the estimates, may be affected.
b) To suggest alternative policies in order to bring about efficiency and economy in administration.
c) To examine whether the money is well laid down within the limits of the policy implied in the estimates ;
d) To suggest the form in which the estimates shall be presented to Parliament.

In short it examine the estimates included in the budget and suggest economies in public expenditure.

3. Procedure :
The tenure of members is one year but the continuity of the Committee is constituted sometime in the month of June and it starts working from July. It prepares its plan work for the year by selecting such of the estimates as may seem fit to it. The office of the Committee collects the relevant material. The papers are put before the Committee for preliminary scrutiny and further information, if needed, is collected. It may constitute sub committees. The sub-committees issue questionnaires to the ministries concerned for furnishing full and complete answers to the points raised. These are examined by the Committee or its sub-committee. Thereafter, the examination of the departmental offices takes place. The Committee has power to send for papers, persons, and records whenever necessary. Study-groups are appointed to undertake on the spot study of the projects under examination. Having completed the examination of the witnesses the Committee formulates its recommendations. Nothing finds place in the report unless it has been discussed with the Minister concerned. Further, a copy of the report is sent to the ministry in advance for verification of facts contained therein. The report which is in the form of recommendations, is then submitted to the Lok Sabha. There is no regular debate on the report. The members,

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however, may refer to the report during the discussion on the budget and the demands for grants.

1. Significance :
Estimates Committee performs useful work. A majoity of the recommendations of the Committee are accepted by the Government. The ultimate success of Committee rests on the long-term thinking and planning. This, in turn, demands that the Committee makes constructive and foresignted suggestions.

The responsibilities of Committee are increasing in view of a continuous increase in Government activities.

The Estimates Committee performs an undoubtedly useful role in the Indian administrative system. It keeps the machinery of public administration under parliamentary serenity. By highlighting the shortcomings and mistakes of public organisations, it acts as a kind of standing committee on Administrative improvement. This role is quite significant, for most of the recommendations made by it are generally accepted by the Government. Secondly, the fear of possible exposure by this Committee's work is, no doubt, in the nature of a post-mortem but in the process its arms do reach the evil-doers and their names and deeds are publicised. This has a deterrent effect. Thirdly, the Estimates Committee publishes its reports, and the wide publicity given to its findings and recommendations influences and shapes public opinion. A democatic government is always responsive to adverse reaction of the public opinion.

14.2.2 : Public Accounts Committee
Parliament's authority over voting money for specific purposes is meaningless unless it has power to ascertain that the money voted by Parliament is utilised by the executive for the purposes for which it was voted. This is secured by subjecting the public accounts to audit by an independent authority, the Comptroller and Auditor General, and examination of his report by the Public Accounts Committee.

Composition :
After the enactment of the Constitution in 1950 the Public Accounts Committee consisted of fifteen members of the Lok Sabha. In 1953, the number was increased to twenty two by giving representation to the Rajya Sabha. The inclusion of the members of the Upper House in the Committee marks a departure from the British practice, wherein the Public Accounts Committee contains no member from the House of Lords.

The Public Accounts Committee is annually elected by the Parliament, by means of proprotional representation by single transferable vote. The principal political parties are given

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represention on the Committee in proportion to their strength in Parliament. The Chairman of the Committee generally belongs to the ruling party, although at times members from the opposition parties in the Lok Sabha have also been elected to this office.

2. Functions :
The functions of the Public Accounts Committee are as follows :

a) The Committee is to satisfy that the money shown in the account as having been disbursed were legally made available for and applicable to the service or purposes to which they have been applied or charged.

b) The Committee is to satisfy that the expenditure conforms to the authority which governs it.

c) The Committee is to satisfy that every re-appropriation has been made in accordance with the provision made in this behalf under rules framed by competent authority.

d) It shall be the duty of the Public Accounts Committee to examine in the light of the report of the Comptroller and Auditor General, the statement of accounts showing the income and expenditure of State corporations, trading and manufacturing schemes and profit projects, together with the balance sheet and statements of profit and loss accounts.

e) It shall be the duty of the Committee to examine the statement of account showing the income and expenditure of autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General of India either under the direction of the President or by a statute of the Parliament.

f) To consider the report of the Comptroller and Auditor General in cases where the President may have required him to conduct an audit of any receipt or to examine account of stores, land stocks.

The main function of the committee is to examine the annual report of the controller and Auditor General of India.

3. Procedure : The Committee performs, these functions on the basis of the Report of the Comptroller and Auditor General. Report is taken up ministry-wise, and the secretaries are required to appear as witness to explain the points raised pertaining to their department by the audit. It has at its disposal the service of the Comptroller and Auditor General who suggests the lines on which the Committee should conduct the examination. He suggests the question which need clarification from the official witnesses. The relationship between the Comptroller and Auditor General and the Committee is close and intimate. He is ‘guide, philosopher and

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friend of the committee.

The findings of the Committee are submitted to Parliament in the form of a report. The Committee makes recommendations to the Government in anticipation to the final report, which is placed before the House, A convention has evolved that the recommendations of the Committee are accepted by the government. If, however, the Government feels that a particular recommendation is not acceptable to it on certain grounds, it requests a reconsideration of the recommendation.

Significance :
The significance attached to the working of the Committee varies from critics to critics. They point out that the Public Accounts Committee relates to transactions completed and to damage done. It conducts a post mortem examination of the public accounts. The Committee's findings are nevertheless, of value as reguidance and warning.

It would be appropriate to remember that the Public Accounts Committee is not an executive body. It is not vested with any executive power and its function is limited to serenity of the public expenditure. It is to be hoped that the Committee will emerge as an effective force in the control of public expenditure. But the value of the Public Accounts Committee's deliberations is: limited.

14.2.3 : Committee on Public Undertakings
The concept of accountability of public undertakings to government leads to parliamentary control over their functioning. The Committee on Public Undertaking was constituted on 1st May, 1964 by the Union Parliament entrusted with responsibility to examine the working of public undertakings in our country.

Composition : The Parliament adopted a motion in 1963 to set up Committee on Public Undertakings from 1st May, 1964 to examine the financial and other aspects of working of the public enterprises. The Committee consists of 15 members - 10 from Lok Sabha and 5 from the Rajya Sabha. The tenure of the members of the Committee was five years and one-fifth of the members who have the longest term in the Committee would retire every year.

Function :
The Parliamentary motion of 1963 had entrusted the Committee following functions :

a) to examine the reports and accounts of the Public Undertakings;
b) to examine the reports, if any, of the Comptroller and Auditor General on the Public Undertakings;

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c) to examine, in the context of the autonomy and efficiency of the Public Undertakings, whether the affairs of these undertakings are being managed in accordance with sound business principles and prudent commercial practices;

d) Such other functions vested in the Public Accounts Committee and the Estimates Committee in relatio to the public undertakings as may be allotted to Committee by the Speaker from time to time.

The limitations on the functions of the Committee were prescribed. It is not competent to deal with the following matters.

a) Matters, of major government policy as distinct from business or commercial functions of the government;
b) Matters of a day-to-day administration;
c) Matters, for the consideration of which machinery established by any special statute under which particular public undertaking is established.
d) The Committee cannot discuss the pricing policy of undertaking or its labour-management relations.

Jurisdiction : The motion of 1962 provided that the following public undertakings shall come under the jurisdiction of the committee :
1. Damodar Valley Corporation;
2. Industrial Finance Corporation;
3. Indian Airlines Corporation;
4. Air-India International;
5. Central Warehousing Corporation;
6. Life Insurance Corporation:
7. Oil and Natural Gas Commission
8. Hindustan Aeronautics Ltd.
9. Bharat Heavy Electricals Ltd.
10. Mazgaon Dock, Bombay;
11. Garden Research Workshop, Calcutta;
12. All government Companies.

All the new undertakings setup under Company's Act in future will automatically come within the purview of this committee.

Functioning of the Committee :
The following important Conventions in the functioning of the Public Accounts Committee have been developed in course of the functioning of the committee for over three decades. Some of these conventions are as under :

a) Irrespective of party affiliations of its members, the Committee functions as a single team;

b) The reports of the Committee have been always

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unanimous;

c) The reports of the Committee are not discussed in the House. The departments concerned of the government are required to intimate the Committee regarding the action taken on the Committee's recommendations;

d) Government department make available to the Committee all the information and documents pertaining to the subject matter under discussion and

e) For the cases requiring a detailed examination, the Committee usually appoints a Sub-Cornmittee with specific terms of reference.

14.2.4 : Evaluation :

During 30 years since its inception, the Committee produced a very large number of reports and recommendations and justified its existence. In first two years, the period of the Third Lok Sabha, the Committee submitted 40 reports. It submitted 70 reports covering the period of the Fourth Lok Sabha. The Committee tries to cover maximum number of undertakings in a record period of time. Avasthi and Maheshvari have observed that "The Committee is doing a useful job and has forever put to rest the varied fears expressed by the critics. It is a fact finding Committee, its function, essentially, is to help Parliament to have a more effective annual debate on the working of the Public Undertakings." The Committee has great value in improving the performance and the profitability of the public enterprises. S. P. Mathur has observed that "In its tone, temper and manner of working the Committee functions like the Estimates and the Public Accounts Committee. The Reports of the Committee cover almost every aspect of the working of undertakings right from the history of the undertakings to their aims, objects, administration of stock, lack of inventory control and many other matters of general interest." Mathur has further observed that "the reports of the Committee have an educative value in as much as these reports educate the public, and in particular, inform public which takes an interest in the working of the government. The reports also educate the members of the Parliament who do not have first hand knowledge of how undertakings are run. The reports of the Committee have improved the quality of debates in the Parliament, and the main facts and problems of the enterprises are presented before the public in a neat readable manner... party political controversies are non - existent and the reports are unanimous . "However, it is unfortunate that in a number of cases, the government does not attach any importance to recommendation of the Committee and have not been accepted by the government, and if accepted, have not been fully implemented.

14.2.5 : AUDIT AS A MEANS OF FINANCIAL CONTROL.

Audit is a recent development in the science of public

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Administration. It is an indispensable part of the parliamentary control over public finance. Audit is defined as “an examination and verification of the accounts after transactions are completed, in order to discover and report to the legislative body any unauthorised, legal, or irregular expenditure, any financial practices that are unsound, and to find out whether the administration has faithfully discharged its responsibility. The audit is an aspect of external control over administration and seeks to enforce the accountability of administration. It is the provision of an independent examination of all financial transactions. The Comptroller General of the United States, has observed that “One of the important objectives of the audit... is to fix; the accountability of the officers of the Government... for any illegal, improper, or incorrect payments made resulting from any, inaccurate or misleading certificate made by them as well as for any payment prohibited by law which did not represent a legal obligations under the appropriation of the fund involved.”

Britain was the first country to evolve an audit of public accounts in order to ascertain whether the behests of the Parliament were complied with or not. The Auditor was dependent of the executive and reported direct to the parliament. These provisions were embodied in the Exchequer and Audit Department Act of 1866. The powers of the Comptroller and Auditor General were considerably widened by the Exchequer and Audit Act, 1921. In the United States, independent audit emerged with the inauguration of the Budget and Accounts Act of 1921. In India, with the commencement of the Constitution in 1950, the office of the Comptroller and Auditor General of India was provided in the Constitution itself. The designation implies control over issues from the public treasury, hitherto non-existent in the financial administration of India. Financial administration, whether of the States or of Union comes under the undivided authority of the Comptroller and Auditor General of India.

Accounting and Auditing

In India the twin functions of maintenance of accounts and their audit were combined in the same hands until 1976. The Comptroller and Auditor-General was entrusted with both sets of functions.

In 1973, the Government of India decided to separate accounting from the audit. In 1976, the Comptroller and Auditor-General of India was relieved of the responsibility of compiling of accounts of the Union Government and is only concerned with the audit of accounts.

This separation of accounts from audit was completed in three phases, effective from 1st April, 1976 (covering some Ministries of the Central Government), 1st July, 1976 (covering nine more Ministries) and 1st October, 1976 (covering the remaining

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Ministries). As a result, there is now department-alisation of accounts in the Central Government and the administrative departments have assumed full responsibility for making payments and their accounting. Certain public sector banks have now been entrusted with the work of handling receipts and payments for the different ministries and departments. This work was being done, until 1976, through the Government Treasuries. Under the new system, the payment functions have been taken over by the Ministries themselves and are discharged by their own Pay and Accounts Officers. Hitherto, only the Reserve Bank of India and the Branches of the State Bank of India and its subsidiaries were authorised to handle cash transactions of the Government. Apart from putting a heavy burden on the Reserve bank of India and the State Bank of India, the old system caused great deal of inconvenience to all those who had transactions with the Government.

Several advantages have been claimed for the scheme of separating accounts from the audit. These are as follows :

a) The departmentalization of accounts will enable the Ministries to watch the flow of expenditure regularly and take effective corrective action wherever necessary.

b) It will facilitate the settlement of all claims directly by the departments by issuing cheques to the parties concerned.

c) The large variations from the budget allocation, which were very common till 1976, will disappear under the new system of separation.

d) It will also help in proper maintenance of Provident Fund accounts and prompt settlement of claims of the employees.

e) It will speed up the compilation of accounts of individual departments, The Accounts of the Ministries and departments are to be compiled, under the new system, within 25 days after the close of the month. Such an accounting pattern is different from the system in vogue until 1976. Prior to 1976, the details of the expenditure incurred by various departments were forwarded by the Treasuries to Accountant General. These were consolidated by the Accountant General, Central Revenues. This used to result in delays in the compilation of accounts.

Consequent upon the separation of accounts from the audit the Comptroller General has been appointed in the Central Government to be the technical authority heading the new accounting set-up. He is in charge of the final compilation of accounts.

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14.2.6 : The Comptroller and Auditor-General of India

The Comptroller and Auditor General *of* India is appointed by the President by warrant under his hand and seal. He can be removed from office in like manner and on the like grounds as a judge of the Supreme Court. To enable him to perform his functions with independence and fearlessness, he is not given any redeployment under the State after his retirement. The salary, allowances and pension of the Comptroller and Auditor-General are not subject to the vote of Parliament. These are charged on the Consolidated Fund of India. These cannot be varied to his disadvantage after his appointment. The Constitution does not precisely define the terms and conditions of his service as well as his duties and powers. The Constitution leaves it for the parliament to define the same. Article 148 (3) provides that "The salary and other condition of service of the Comptroller and Auiditor General shall be such as may be determined by Parliament by law and until they are so determined, shall be as specified in the Schedule." It further provides that "He shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States as were conferred on or exercisable by the Auditor-General of India immediately before the commencement of this Constitution in relation to the accounts of the Dominion of India and of the provinces respectively."

In 1953, the- Parliament passed an Act to define the tenure and conditions of service of the Comptroller and Auditor-General, He has been given a six year tenure without any age restrictions, He is paid the salary of the judges of the Supreme Court. His duties and powers are governed by the Government of India Audit and Accounts Order, 1926, as adopted by the India (Provisional Constitution) Order, 1946. The undefined nature of his powers and functions makes room for ambiguity and even confusion. This ambiguity led to a controversy between the Auditor-General and the Defence Minister. It is criticised that the Auditor-General often exceeds his jurisdiction. The Constitution did not define his powers and functions, nor has the Parliament rectified this omission by statute prescribing the framework within which he is to function. It is desirable that the Parliament should specify the role and functions of the Comptroller and Auditor-General.

Functions of the Comptroller and Auditor General - Until 1976, the duties and powers of the Comptroller and Auditor General embraced both the 'auditing and accounting of all financial transactions of the Governments. Since 1976, he has been relieved of his responsibilities in regard to the compilation and maintenance of accounts. He audits all expenditures from the revenues of the Central Government or State Governments in and outside India and, ascertains whether legally available for and applicable to the service or the purpose to which they have been applicable and whether the expenditure conforms to the authority which governs it. A broader and newer concept regarding the role of the Comptroller

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and Auditor-General has led to the greater attention to efficiency and to the development of discretionary audit directed towards discovering wastes and of matters beyond accounting, which though intra-vires, are apparently unwise or extravagant.

Audit has a statutory as well as discretionary basis. In addition, it upholds the Constitution and the laws in the sphere of financial administration. The Comptroller and Auditor-General examines sanctions given by competent authorities in order to find out that whether they are proper and utilised for the realisation of the purpose for which the sanctions have been given. His responsibilities in regard to the audit of receipts are limited, and need to be developed. The receipts from income-tax, wealth-tax, expenditure-tax, estate duty, excise and land revenue are excluded from the scope of his audit. The income-tax receipts are now being progressively brought under his purview.

The Comptroller and Auditor-General is, thus, engaged in the scrutiny of the financial affairs of the executive and submits his report to the Parliament to which alone he is responsible. In the case of the States, the report is laid before the State legislatures.

Thus he is head of the Indian Audit and Accounts departments. He is the guardian of the public purse and controls the entire financial system of the country at both the levels.

14.2.7 : QUESTIONS

1) How is the financial accountability ensured in India?
2) What is audit control? How is it ensured in India?
3) Write short-notes on-
   a) Estimates Committee
   b) Public Accounts Committee
   c) Committee on Public Enterprises
   d) Controller and Auditor-General of India.

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MODULE 8
Unit 15

15

LOCAL GOVERNANCE

Unit structure
15.0 Objective
15.1 Introduction
15.2 Characteristics of Local Government
15.3 Importance of Local Government
15.4 Local Government in India
15.5 Urban Local Government
15.6 Rural Local Government
15.7 Unit end questions.

Note : Rural and Urban Administration to be covered under 'Local Governance'.

15.0 Objective : To study about local governance

15.1 : INTRODUCTION

Besides the Union and the State Government, the third tier of governance in India is local government. Local government has been described as the local self-government; i.e.; public governance of the locality by the representative elected by the eligible and registered voters living within the territorial boundaries of a village, a town or a city. Local governments have existed in India since the ancient times. However, the foundation of the local government, existing at present, were laid in the second half of the 19th century by the British Government.

15.2 : CHARACTERISTICS OF LOCAL GOVERNMENT

The significant characteristics of Local government are as follows :
1) Engaged in solving the problems of the local people, in a village, town or city.
2) Created by the laws of State Legislatures.
3) Required to function as per the provisions of the law.
4) Enjoys autonomy and has independence in decision making as the State governments do not interfere in the local government's day-to-day administration.
5) Affairs are managed by the representatives elected by the people in the area.

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15.3 : IMPORTANCE OF LOCAL GOVERNMENT

Local governments play an important role in democracy. Their effective functioning delivers good governance at the local level.

1. Proximity :
They are close to the people. People can have easy access to local governments. They are the most convenient body to meet people's local needs and to solve their immediate problems.

2. Training School of democracy :
Imparts training in democratic citizenship - Makes people aware of the importance of having power and their responsibilities in the exercise of power helps the people learn. How to control the representatives and makes them accountable. It develops confidence in people and trains them to take up responsibilities at the regional and national levels. It creates political awareness and inculcates democratic attitude in the people.

3. Decentralization of Power :
Assigning certain functions and responsibilities, along with necessary powers and resources, is known as democratic decentralization. Local governments facilitate such decentralization of power. Decentralization of power gives opportunity to the common people to develop political consciousness and promotes democratic values of freedom, equality and the spirit of tolerance.

4. Generates civic sense :
Living in an area for generations develops in the people a sense of affinity towards it. Further, It helps them identify the local problems. These factors make the citizens proactive in finding solutions to the local problems. This in turn, instills in them a strong civic sense and such citizens foster a sound democratic culture in society.

15.4 : LOCAL GOVERNMENT IN INDIA

Since local government is a subject in the State list, Its nature of functioning differs from State to State.

73rd and 74th Constitutional Amendments - brought about the following fundamental changes in the local Governments.

a) Gave constitutional status to local governments.
b) Brought about uniformity in their structure.
c) Provided for the setting up of the State Election Commission for conducting elections to the local bodies and State Finance Commission to protect their financial autonomy.
d) Made provisions for reservation of seats for the SC, the ST, the OBCs and women to enable their participation in the local governments.

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Local governments in India are broadly classified into two Categories viz., urban and rural local government.

15.5 : URBAN LOCAL GOVERNMENT

According to the 2001 Census of India, the urban population is 285.4 million people, that is 27.78% of the total Indian populations. The urban, areas in India are scattered across the length and breadth of India. However the density (i.e. the number of people living per sq.km.) of population within these urban areas is high. The term urban area includes towns, cities and metropolitan cities.

In order to provide for a common framework for urban local bodies and help to strengthen the functioning of the bodies as effective democratic units of self-government, Parliament enacted the Constitution (74th Amendment) Act, 1992, relating to Municipalities in 1992. The Act received the assent of the President on 20 April 1993. The Government of India notified the 1st June 1993 as the date from which the said Act came into force. A new part IX-A relating to the Municipalities has been incorported in the Constitution to provide for establishment of Municipal Councils, Municipal Corporations and Nagar Panchayats for areas in transition from a rural area to urban area, Municipal Council for smaller urban areas and Municipal Corporation for larger urban areas. It has fixed duration of Municipalities, appointment of State Election Commission, appointment of State Finance Commission and Constitution of Metropolitan and District Planning Committees. All States have set up their Finance Commissions. For conducting elections to urban local bodies, all States / UTs have set up / election commissions. Elections to municipal bodies have been completed in all States / UTs except Bihar and Puducherry where this matter is sub-judice.

Urban Local Government in Maharashtra

Maharashtra is among the highly urbanised States in India. The details of the urban local government in Maharashtra are as follows : -

1) Municipal Corporations : 22
2) Nagar Parishads : 222
3) Nagar Panchayats : 03
4) Cantonment Boards : 07
5) Industrial Township Authority : nil

Municipal Corporation :

A Munipal Corporation is establised by an Act enacted by the State Legislature for a city having minimum population of 300,000. There are 22 Municipal Corporations at present (2007) in Maharashtra.

The Composition of a Municipal Corporation is as follows :

1) The Council : The Council consists of representatives

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(Councillors) elected from different wards (constituencies). Its strength varies from a minimum of 65 to a maximum of 221 according to the class of the Corporation. A certain number of seats are reserved for SC, ST, the OBCs and women. It is the general body of the Corporation. It meets once in three months. Its term is for five years.

2) Mayor and Deputy Mayor : The elected members of the Council elect from among themselves the presiding officers, viz., Mayor and the Deputy Mayor for a term of 2½ years. The office of the Mayor is of great dignity and honour as being the first citizen of the city.

3) Municipal Commissioner : The Municipal Commissioner is an IAS officer appointed by the State Government, is the Chief Executive Officer of the Municipal Corporation. He is assisted by the Deputy Commissioners and the other officials.

4) Committees : Committees are constituted by an Act of the Corporation. They include Standing Committee, Education Committee, Transport Committee, etc. In certain cases, Town Planning Committee and Ward Committees are also constituted The Committees assist the Council in its working.

2. Municipal Councils : The cities having population of less than 3,00,000 are governed by the Municipal Councils. There are 222 Municipal Councils in Maharashtra of which 7 have been established in the hill-station towns. The Municipal Councils have been classified as under :

Class 'A'	Class 'B'	Class 'C'
Population Over 1,00,000	Population between 40,000 and 1,00,000	Population Less than 40,000

The Hill Station Towns are also administered by Municipal Councils without considering the criterion of populations.

The composition of the Municipal Council is as follows :

1) The Council : The Council the General Body-consists of the elected members and the nominated/co-opted members Specific number of seats are reserved for different sections of society. Its term is for five years. Minimum 17 & max 65 members.

2) The President and the Vice-President : The elected members of the Council elect from among themselves the President and the Vice-President for a term of 2½ years.

3) Committees : The Municipal Council functions through various

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committees. The President; the chairperson of the Standing Committee. Besides this, there are six subject committees to deal with Public, works, education, sanitation water supply, planning and development and women-child welfare.

4) **Chief Officer :** The Chief Officer appointed by the State Government, is the administrative head of the Municipal Council. He is assisted by the Municipal engineer, health officer, education officer, education officials and other officials.

3. Nagar Panchayat :
Nagar Painchayat is a new form of urban local government. The 74th Constitutional Amendment provided for the creation of Nagar Pancnayat. A rural area in the process of transition to an urban is governed by a Nagar Panchayat. It is rural and semi-urban area. The following criteria are observed to form a Nagar Panchayat :

a) The population, of area must be between 10,000 and 25,000.

b) Its distance from a city with a Municipal Corporation or Municipal Council of A grade should be less than 20 kilometres and 25% population of that area must be engaged in employment other than agriculture.

c) An area having distance of more than 20 kilometres from a city is also eligible to have Nagar Panchayat but 50% of its population must be engaged in employment other than agriculture.

Cantonment Boards : Cantonment Board is a special type of local government. For areas where the army is stationed along with a substantial civil population. They are governed by the Boards in India of which 7 are in Maharashtra. The Cantonments Boards are under the direct control of the Ministry of Defence. The Station Commander is the ex-officio President of the Cantonments Boards. The majority of members are the military officials. Besides these, seven civilian members are elected by the civil population within the area of the Board. The civilian members elect from among themselves the vice president of the Board. The Chief Executive officer is the administrative head who is appointed by the Ministry of Defence. Though Cantonment Boards appear to be inconsistent with the democratic principle of representative government, their existence is justified because of their usefulness in matters of national defence.

5. Industrial Township Authority (ITA) :
ITA is constitued to administer the industrial township under the provisions of the Municipalities Act of Mdharashtra. It is a unique urban local government which is administered by Industrial Township Authority. At present (2007) it is non-existent in

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Maharashtra.

15.6 : RURAL LOCAL GOVERNMENT

Panchayati Raj is the name of the present system of rural local self-government institutions established in all States and Union Territories since 1959. In objective as well as in scope and content, Panchayati Raj is different from any local government attempted in the past. It is regarded as an administrative revolution with enormous potentials. Panchayati Raj comprises a three-tier system, with the Village Panchayat at the base, the Block of Taluka Panchayati Samiti at the intermediate level, and the Zilla Parishad at the apex level. These rural local bodies are inter-connected through their membership and serve as units of self government, planning and development at the grass roots level.

The Panchayati Raj emerged consequent to the failure of the Community Development programme to evoke popular interest and participation in the implementation of the development programmes. The non-statutory bodies were replaced by statutory Panchayati Raj institutiors on the recommendation of the study team headed by Late Balwantri Mehta.

Structure of Panchayati Raj :
The "Panchayati Raj structure recommended by Study Team was as under :

i) There should be a three-tier structure of local self governing bodies from the village level to the district level the bodies being linked up organically.

ii) There should be genuine transfer of power and responsibility to them.

iii) To enable these bodies to discharge their responsibilities adequate resources should be transferred to them,

iv) It is through these bodies alone that all welfare and development schemes and programmes should be channeled.

v) No higher body should have an opportunity to do what a lower body can do itself, since these bodies were charged with various duties and functions.

vi) The proposed three-tier system was such that it facilitated further devolution and dispersal of power and responsibilities in the future.

The State of Rajasthan was the first to establish Panchayat Raj on 2nd October, 1959; followed by Andhra Pradesh on 1st November,

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1959. Since then all State Legislatures have enacted Suitable Legislations and set up Panchayati Raj institutions.

Panchayati Raj in Maharashtra : The Government of Maharashtra appointed a high-level committee in June 1960, headed by Shri Vasantra Naik, the Revenue Minister to commend on the implementation of the recommendations of the Team. The recommendations of the Naik Committee are as follow :

1) "If decentralisation is to be real and effective, it would be imperative to establish a strong executive body at the district level". It alone was capable of providing the requisite resources, necessary administrative and technical personnel and equipment required for a properly co-ordinated development of the district. The Councillors of the District Body-Zilla Parishad should be directly elected. Chairman of the Panchayati Samitis would be the ex-officio Councillors of the Zilia Parishad.

2) The Members of Parliament and the State Legislature ; should not be associated with the Zilla Parishad or the Panchayat Samiti Ex-officio/Associate Councillors/ Members. Their total exclusion from the Panchayati Raj Institutions and their disassociation from the day to day functioning of these bodies would help in promotion and growth of leaders from rural areas,

3) Provision for Standing Committee and requisite number of Subjects Committee to take decisions from time to time. Members of the Committees to be elected on the basis of proportional representation with single transferable vote.

4) There should be a whole-time President and a Vice President. They should be paid reasonable honorarium and also provided other facilities such as residential accommodation, transport, secretarial assistance etc.

5) All subject of activities at the district to be given to the Zilla Parishad.

6) Almost full financial assistance to the Zilla Parishad (including the income of the erstwhile rural local self-government institutions) be given through the Grants mentioned in the Act as Land Revenue Grant, Equalisation Grant, Purposive Grant and Deficit Adjustment Grant and Plan Grant in full for the schemes entrusted to the Zilla Parishad.

7) Powers to the Zilla Parishad to raise their own resources through taxes, rates and fees, power : to increase the rate on land revenue.

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8) Chief Executive Officer of the Zilla Parishad, to be appointed from. I.A.S. Cadre.

9) The Panchayat Samiti at the,Taluka level should be a statutory one having executive and supervisory functions and it should serve as a link between the Village Panchayats and the Zilla Parishad. It should act as a regional Committee of the Zilla Parishad. No direct elections to Panchayat Samiti. All Councillors of the Zilla Parishad to be Ex-officio members of the Panchayat Samiti in their respective Talukas. In addition, double the number of Councillors to be elected from amongst the Sarpanchas as Members.

10) Zilla Parishad to exercise control over Panchayat Samiti, which in turn, will exercise control over Village Panchayats.)

11) Village Panchayats to be organically linked with Panchayat Samiti and Zilla Parishad.

12) No change in the existing provisions relating to Village Panchayats to be made.

The Government of Maharashtra accepted the recommendations of the Naik Committee. The Maharashtra Zilla Parishad and Panchayat Samiti Bill was presented in the Legislative Assembly on l9th August, 1961. The State Legislature enacted the Maharashtra Zilla Parishads and Panchayat Samities Act, 1961. The Panchayati Raj was inaugurated in Maharashtra on 1st May, 1962.

Report of the P.B. Patil Committee :

Naik Committee had recommended periodical review of the working of the Panchayat Raj bodies to remove the lacunae in the Act, rules and procedure. The State Government appointed the Second Evaluation Committee in June 1984 under the chairmanship of Principal P.B. Patil. The terms of reference of the Patil Committee were extensive and included all the areas pertaining to the PRIs, district Planning and rural development at large. The principal issue before the Patil Committee was rejuvenation of the PRIs in Maharashtra. On this issue the Patil Committee had forthrightly observed that “For the rejujvenation of the PRIs only cosmic or marginal changes will not be enough”. The Committee propounded the concept of ‘District Government’ to realise the objective of democratic decentralization.

Patil Committee pointed out that “The existing two sets of government, viz., the Union and the State, are not in a position to cope up with the enormous activities. It is, therefore, prudent to establish the third level of the government and transfer the governmental and development activities to the district government in a phased manner. In the first five years the development

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activities and in the later five years revenue related Activities be transferred to the district government". This was a most innovative suggestion that found place in the 73rd Constitutional Amendment.

The Patil Committee was extremely critical of the existing machinery at the district level. The committee observed that "We strongly believe that rural development should be responsive to the needs of the rural people. We advocate that there should be a single all-embracing planning authority at the district level. This planning authority should be an arm of the Zilla Parishad". The Committee felt the need to establish a planning Cell in the Zilla Parishad to carry- out the major tasks in district planning.

The Patil Committee was extremely critical of the division of development activities into regular and special and the so-called special activities being assigned to the District Rural Development Agency (DRDA) and such other agencies. It recommended merger of the DRDA with the Zilla Parishad and integration of the regular' and 'special' activities as it was prior to 1972. The District Government (Zilla Parishad) would emerge as the sole development agency. This recommendation was of great significance in view of the fact that the development agencies, other than Zilla Parishad, controlled more than 70% development funds and had marginalised the PRIs in 1970 and 1980's.

73rd Constitutional Amendment :
The significant aspects of the 73rd Constitution Amendment Act are as follows :

1. **Gram Sabha :** The 73rd Amendment Act has restored pivotal role of the Gram Sabhas. It has been recognised that it is the primary source of democratic power in a village. The Act provides for a Gram Sabha which may exercise such powers at the village level as the Laws enacted by the State Legislature may provide.

2. **Constitution of Panchayats :** The 73rd Amendment Act makes it obligatory for all States to establish a three-tier system of Panchayats at the village, intermediate and district level. However, States having a population of less than twenty lakh would not be required to establish Panchayats at the intermediate level.

3. **Composition of Panchayats :** According to the Act, all the seats in a Panchayat shall be filled, by persons chosen by direct election from territorial constituencies in the area of the Panchayat.

4. **Reservation of Seats :** There is provision for reservation of seats for Scheduled Castes Tribes and the one-third of seats

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for women including the Scheduled Castes/Tribes women. Even the office of the chairperson is reserved for Scheduled; Castes/Tribes and women.

5. **Duration of Panchayats :** The 73rd Amendment Act provides; for a duration (term) of five years for the Panchayats. The election to constitute a Panchayat, when dissolved, shall be held within a period of six months. The reconstituted Panchayat shall function for the remaining period that the dissolved Panchayat would have otherwise completed.

6. **Finance Commission :** Provision of State Finance Commission has found place in the 73rd Amendment Act. The Act states that there shall be a Finance Commission in every State to make recommendations to the government which shall be put, by-the government, before the State Legislature, together with an explanatory note and 'Action Taken Report' (ATR).

7. **Audit of Accounts :** The Act provides for the statutory audit of panchayat accounts. The Act states that the panchayats shall keep the accounts in such manner as the government may, on the advice of the Comptroller and Auditor-General of India, prescribe. The audit reports be submitted to the Governor of the State who shall cause them to be laid before the State Legislature.

8. **Conduct of Elections :** According to the provisions *of* the 73rd Amendment Act, the superintendence, duration *and* control of the preparation of electoral rolls for, and conduct of all elections to the, Panchayats shall be vested in the duly constituted State Election Commission.

The Panchayat Raj in Maharashtra :

The three-tier Panchayat Raj institutions have been established in the rural areas of Maharashtra. Their details, at present (2007) are as follows :

1) Zilla Parishads : 33
2) Panchayat Samities : 349
3) Grampanchayats : 28,021

A brief description of its components is as follows :

1. Zilla Parishad :

The Zilla Parishad consists of elected and ex-officio members. The elected members are the representatives of the people. The chairpersons (Sabhapatis) of Panchayat Samitis within the jurisdication of the Zilla Parishad are its ex-officio members. One third of the elected seats are reserved for women. The Scheduled

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Castes and Scheduled Tribes are given representation through reservation decided according to their proportion in population. Twenty seven percent of the total seats are reserved for the Other Backward Classes.

The Zilla Parishad has a term of five years. The members of the Zilla Parishad also enjoy a term of five years. However, its dissolution before the completion of the term by the State government is possible on the ground of its inefficient functioning. It is mandatory to hold fresh elections within six months to constitute a new Zilla Parishad.

The elected and ex-officio members form the general body of the Zilla Parishad, which, meets at least once in three months. It discusses all matters of public importance pertaining to the district and formulates policies. The President and Vice-President of Zilla Parishad are elected by the members of the Zilla Parishad for a period of two and a half years. The office of the President is reserved for women, Scheduled Castes, Scheduled Tribes and Other Backward Classes by rotation.

a) The Committees : The Zilla Parishad functions through various committees. The standing committee and other subject cpmmittees. The Standing Committee has an extremely important place in the committee system of the Zilla Parishad. There are nine Subject Committees each, dealing with a specific function like finance, public works, agriculture, social welfare, education, health, animal husbandry, women and child welfare, water supply and conservation.

The Chief Executive Officer (CEO) is the head of administration. He is an IAS officer appointed by the State government. With the help of administrative machinery, the CEO implements rural development schemes. He is responsible for implementing the resolutions and decisions of Zilla Parishad.

2. Panchayat Samiti :

The Panchayat Sarniti is at the intermediate level and functions at the Taluka level in Maharashtra. Its members are elected directly by the eligible voters from that area. The area of taluka is divided into constituencies and people elect one representative from each constituency. The members of the Zilla Parishad “elected from the area of the Panchayat Samiti and its ex-officio members. There is a provision for the co-option of the members which enables the Panchayat Samiti to provide representation to the experienced people. As per the provisions of law, 1/3rd seats are reserved for women, 27% seats are reserved for Other Backward Classes and Scheduled Castes and Scheduled Tribes are given representation in proportion to the population. The Pahchayat Samiti has a term of five years.

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a) The Chairperson and the Deputy Chairperson : The Chairperson (Sabhapati) and the Deputy Chairperson; (Upsabhapati) are the officials of the Panchayat Samiti. They are elected by the elected- members of the Panchayati Samiti for a term of two and a half years. The office of the chairperson is reserved for women, Scheduled Castes and the Scheduled Tribes and the Other Backward Classes They occupy this office by rotation as provided in the law. The chairpersons of the Panchayat Samiti are the ex-officio member of the Zilla Parishad.

b) Block Development Officer : The Block Development Officer (BDO) is the administrative head of the Panchayat Samiti. He is assisted by the extension officers in agriculture, health, animal husbandry, education, co-operation and industries.

3. Gram Panchayat : The Gram Panchayat is the basic unit of the Panchayat system in Maharashtra. The 'Mumbai Village Panchayat Act' of 1958 provides for organizing Gram Panchayats. This Act has been suitably amended from time to time. The Gram Panchayat consists of a minimum of seven and a maximum of seventeen members called 'Panchas', the eligible voters in the village elect them directly. A village is organized into wards and each ward sends one representative to the Grampanchayat. One third of the total seats are reserved for women and 27% seats are reserved for the Other Backward Classes. The Scheduled Castes and Scheduled Tribes also have representation through reservation on the basis of their proportion in population.

A minimum population of 500 is required to form a Grampanchayat. Villages that have a population of less than 500 are grouped together to form a Group Grampanchayat. On the basis of their population, the Grampanchayats are classified into three, categories. A, B and C.

a) Sarpanch and Deputy Sarpanch :
The members of the Grampanchayat elect from amongst themselves a Sarpanch and Deputy Sarpanch Both of them enjoy a term of five years. The Sarpanch is the head of the Grampanchayat. He is assisted by the Gram Sevaks in performing his duties.

4. Gram Sabha :
The Gramsabha is an assembly of the local people and the fundamental unit of democracy. The original Act had provided for the constitution of the Gramsabha However, it failed to function efficiently due to the lack of power. The 73rd Constitutional Amendment has accorded a significant position in the present system of Panchayati Raj Gramsabha provides a platform for the people to come together and discuss village matters. The Sarpanch must convene a minimum of six meeting of the Gramsabha in a

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year.

The Gramsabha is a deliberative body. It gives villagers an opportunity to express their views, opinions and grievances. It helps to bring transparency and openness in rural politics. It takes decisions regarding development schemes to be implemented in the village.

15.7 : QUESTIONS

1) Give an account of urban Local government in India.
2) Give an account of rural local government in India.
3) Explain importance and characteristics of Local Government.

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MODULE 8
Unit 16

16

PEOPLE'S PARTICIPATION IN ADMINISTRATION

Unit Structure :

16.0 Introduction
16.1 Adminstration and public relations.
16.2 People's perception in Adminstration.
16.3 Adminstrations attitude towards people.
16.4 Reconciliation of Public and Adminstration.
16.5 Collaboration with the voluntary organizations.
16.6 Collaboration between the Government and the voluntary ganizations.
16.7 Council for advancement of people action and Rural envelopment.
16.8 Unit end questions.

16.0 INTRODUCTION

Administration and public are inseparable entities, both in theory as well as practice of public administration. The very term indicates that the administration is meant for the public. The nature of public administration, as already discussed in the First chapter, has underwent transformation from public administration to development administration; from night-watchman state to the welfare state. As a consequence, over and above its traditional law and order functions for the well-being of the people, the public administration is the instrument of governance and the success or failure of a modern welfare state and its government is related with the performance of the administration. It is an instrument to realize the ideals enshrined in the Constitution and aspirations of the people reflected in the laws enacted by the representative institutions.

Thus, administration has become the cornerstone of the civilized society in today's administrative State, a dominant factor in the life of 'public' at every stage, from 'craddle to grave'. Thus, harmonization of 'public' and 'administration' is a key issue present in every modern State as the well-being or the 'public' depends on the administration and the success or failure of 'administration' depends on the trust, confidence, cooperation and initiative of the 'public'.

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16.1 : 'ADMINISTRATION' VIS-A-VIS 'PUBLIC'

There is great increase in the functions and powers of administration in our times. Until the advent of the twentieth century, in the night watchman state, the role of administration vis-a-vis public was limited to maintenance of law and order, administration of justice and collection of revenue. Thus, 'administration' occupied very little space in the life of the 'public;' although it was always looked upon with awe and respected by the 'public'. Still administration was a remote entity. Thus, it was possible to administer law with objectivity and emotional detachment, also described as political neutrality.

However, the night-man concept was replaced by the social service or welfare state which meant 'administration' looking after health, education; industry, agriculture and every thing under the sun that affected the 'public'. Thus, the 'public' was encompassed by 'administration' and, in turn, 'public' expected 'administration' to cater to their requirement. In the process, the administration became, highly complex and technical and necessitated 'the specialist' the man with expertise to perform administrative responsibilities. Thus, the nature of administration underwent change in the 20th Century and it gradually became all powerful, highly complex and technical. But since it was meant for the well-being of the public, the administration was expected to be responsible and responsive to the public; to look into grievances of people and expected to be 'pro-people;' which in developing countries meant 'pro-poor'. Thus, the traditional concepts like objectivity and neutrality were replaced by commitment and dedication; the aloofness and impersonal attitude was replaced By the emphasis on establishing channels of contact and communication with the people. Rapport between the administration and public was emphasized by insisting that the administration should comprise of the public-spirited officials who could motivate 'people and bring about, their active participation in the development process. Thus, 'administration and 'public' are expected to be partners - collaborators in the process of development, The very basis of the Community Development Programme, launched in 1952, was the active participation of the people. Five years later, the study team headed by late Balwantrai Mehta pointed out that the failure of the CDP was due to absence of active participation of the people and proposed democratic decentralization. i.e. Panchayati Raj to incorporate popular leadership and enlist the active participation of people in the implementation of the welfare programmes and schemes. Thus, 'Public' and 'Administration' are complimentary to each other.

The manifestation of the 'Administration' reaching the 'Public' is the rapport between the two, established through public Relations. Public relations is a two-way process in which the 'Administration'

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conveys the policies and programmes of the Government' to the 'Public' and the grievances of the 'Public' to 'Government'. Thus, administration is expected to be the great itermediary which links the rulers and the ruled. The balancing Act is very difficult at times, especially when the government policies are harsh and unpopular. The skill of 'Administration' Consists in its ability to explain, justify and convince the 'public' and at the same time the grievances of the people, to the extent possible. When such measures involve policy change, they must bring it to the notice of the government the difficulties and hardships faced by the 'public' and prevail upon it to make the policies as humane as possible. In short, the Administration is expected to be people-oriented, public spirited and imbibed with humane approach.

The task of adminstration via-a-vis the public in developing countries like India is still more difficult owing to the fact that vast majority of our people are poor, illiterate, tradition-minded and lack initiative necessary for the nation-building task. To overcome this and generate zeal for development is a great challenge. The Adminstation is expected to act as an agent of social change and economic transformation; one who motivates people and brings about their active participation in the implementation of the developmental schemes. Their task was made more difficult by the fact that the emphasis in the Five Year Plans, till 1977, was on the little funds available for the rural development schemes, causing resentment among the rural masses. However, this difficulty has been overcome, and now, a public-spirited official has enough funds at his disposal to undertake developmental work and thereby arouse popular interest in the rural areas in the developmental work.

16.2 : PEOPLE'S PERCEPTION IN ADMINISTRATION

For the successful working of public administration there is a need for active citizenship and self-help. Public administration in a democracy must be based on public consent and support. In fact, it is a two-way process. People's mind must be known to the administration and at the same time, administrators efforts must be actively supported by, the people. The aspirations of the people must be taken into consideration by the administration. People will respect administration only when it responds to the aspirations of the people.

It has already been pointed out that vast majority of people in India are illiterate, poor, ignorant and apathetic towards development. To urge public to participate actively in the process of development is a challenge before the Indian administration. In order to cope up with this problem, they must know what is public attitude towards administration.

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The public attitude towards the Indian administration has been the subject of much speculation for years. The press, public administration scholars and even the government officials have debated the issue time and again, at great length. A.D. Gorwala had pointed out that "To state plainly, the public in India hardly have any respect and pride .for the administration or the civil servants who manage the administation. It is hostile and antibueaucratic."

Thus, the citizens hold the bureaucracy in low esteem. The relationship between the citizens and public servants lacks cordiality and mutual understanding. Numerous complaints are always made by the public against the civil servants regarding delays in disposel of cases, corruption, lack of proper communication, evasion of responsibility, exploitation, favouritism, arbitrary and high-handed functioning and indifferent attitude. The public is suspicious about the integrity of the public officials and regard 'right contacts', 'political pulls', 'speed money', etc. as the ways and means to get the things done. The public feels that the bureaucrats are too much rule-minded and totally devoid of any human considerations. They are reluctant in disposal of work, thus creating scope for middle-men who exploit the poor, needy public.

The Administrative Reforms Commission's findings on public view of administration are as follows :

a) Unhelpful attitude on the part of the officials;
b) Inordinate delay in transacting government business :
c) Corruption among the officials; '
d) Non-availability of essential commodities;
e) Lack of proper attention from government agencies in providing services to the common man - as for example, government hospitals.
f) Favouritism and nepotism in dealing with the general public
g) Unsatisfactory progress of the Community Development programme;
h) Public-dissatisfaction with the Panchayat Raj Institution and
i) Inefficient machinery for redress of public grievances at the district level.

16.3 ADMINISTRATION'S ATTITUDE TOWARDS PEOPLE

The Indian bureaucracy is, by and large, urban - middle class, While performing their duties they mainly deal with the-rural masses who are illiterate and poor. Thus, there is a wide cultural gap between the class of administrators and the vast majority of masses. The 'administrators' find the masses indifferent and the masses view the administrators as apathetic and disinterested in the development process.

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The bureaucracy points out that the people are unaware of their rights, have no understanding of the problems and make no efforts to get their grievances redressed. Further, they do not have adequate knowledge of the rules, regulations and procedure of administration. To some extent, people are pessimistic about the assistance from the bureaucracy in getting the things done. The civil servants, complain that there is too much interference in the administration and that the citizens try to bring pressure through local politicians. The administrators on such occasions, find it most difficult to work honestly and freely.

Another standing complaint about the masses is that the general masses neither take keen interest in their own affairs nor do they show any initiative for bettering their own prospects. Further, they hardly support or co-operate with the civil servants who honestly try to bring about the change in the society. In fact, in a number of cases, the civil servants are looked at with contempt, suspicion, fear and distrust.

Occasionally, it is alleged that the citizens deliberately deviate from the sanctioned plans. Thus, tempts the civil servants to overlook and violate the rules and regulations, to ignore and connive at the provisions of Law. Ultimately, this creates a scope for the civil servants to indulge in mal-practices and corruption.

16.4 : RECONCILIATION OF PUBLIC AND ADMINISTRATION

In the light of the divergent views held by the both the citizens and the adrhinistrators about each other, to admit the claims of both of them is difficult task. How to reconcile these mutually opposed views? Can the relationship between the two be improved? C.P. Bhambri opines that something more needs to be done to change apathetic attitude of the citizens and make them positive and participate in the functioning of the administration. According to him, some linkages need to be established between the citizens and administration in order to achieve the goals of mutual trust and appreciation and for this the existing hiatus between the citizen and the administration in India needs to be bridged.

It must be admitted that the administration in a democracy has to be democratic in temper. This is because in a democratic administration people are the master to whom due attention and courtesy must be shown by the bureaucrats.

As regards the linkage between the public and the administrators, public administration must be well aware as to what public thinks of the administrative acts and policies as well as what hopes and desires are entertained by the public. A quick and efficient

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machinery to attend promptly the complaints lodged by the public against the administration is absolutely necessary.

A thorough rapport can be established between the administration and the public by creating an agency of public relations in the administration itself. Such an agency enables the administration to learn about the public wishes and aspirations, to advise the public about what it should think, desire and do in Specific spheres of activities, to cultivate satisfactory contact between the officials and about what the administration is doing for the public.

The egalitarian goals enshrined in the Constitution of our Country cannot be attained through the efforts of administration only. If the total transformation in our traditional and backward Society is to take place rapidly, the tendency of our people to rely on government administration for fulfilment of each and every need will have to be abandoned. Public must shed away its negative role and adopt positive role. The aspirants of progress and prosperity cannot hold apathetic attitude towards their own issues of development. They cannot remain detached from and indifferent toward activities of the democratic government. Their initiative, interest, whole-hearted support and active cooperation together with direct participation in governmental activities must be mustered behind the enormous efforts of our public administration.

The administrators should see that, they mix-up with the common people, especially those from rural areas. Because it is them who needs the administrator most. Proper atmosphere must be created wherein the bureaucracy and the general public needless to say that the success of the administration depends upon the involvement, commitment, dedication and sacrifice with which the public servants put their efforts for the welfare of the teeming millions in the country.

We may conclude in the words of C. P. Bhambhri that “It is necessary to develop public relations which would improve understanding between the citizen and the administrators. The purpose of public relations is to create favourable community opinion towards the programme of adminstration. Public should be informed regarding the nature and scope of the available services. Through public relations, confidence should be created in the mind of the public towards the competence, fairness, impartiality and sincerity of the public officials. People should feel that public officials are honest in their duty and sympathetic in their attitude, only then people shall assist and support the programme of the administration. Public Relations is essential for the working of administration, because the effectiveness of administration is enhanced if the attitude of the citizen is friendly towards it. Public. support which is very essential for effective administration, can come through good Public Relations.”

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16.5 : COLLABORATION WITH THE VOLUNTARY ORGANIZATIONS

With the increasing inability of the Welfare State to deliver Welfare Services, in the late 1970's it was realised that the government, by itself, is not in a position to achieve the development objectives. The active participation of the people in the development process is regarded as vital. The instrument of organizing and activating the people in the development process is the voluntary agencies, also described as the Non-Governmental Organizations (NGOs).

A voluntary organisation can be defined as an organization! that is private, non-profit and tax-exempt Lord Beveridge defined voluntary agency as "an organization which whether its workers are paid or unpaid is initiated and governed by its own members without external control". Thus, a voluntary agency is a non-governmental organisation (NGO) which collect its funds by way of subscriptions, donations, contributions, grants from the State etc. The word voluntary refers to voluntary contribution as well as voluntary participation or both in the cases of some. The voluntary agencies are engaged in certain activities in which private enterprises are also engaged, e.g. digging tube-well. The significant point of difference between the two being the private enterprise undertakes socially useful activities for profit purposes whereas voluntary agency does not have profit motive. The agencies employ full-time professional workers to undertake socially useful activities on behalf of the organization. The voluntary organizations are presumed non-political in character. However, because of their independent position, they can criticise measures and actions of government in the public interest and even resort to agitational means to highlight the grievances of people or to protest against administration. By and large, State and voluntary organizations work by mutual consultation and co-operation.

The private voluntary organization is an universal phenomena. Some of these organisations function within the State in which they originate whereas there are a number of voluntary agencies in the developed countries which are engaged in providing assistance to the developing countries.

16.5.1 : Role And Functions Of Voluntary Organizations

The number and importance of voluntary organisation is increasing day-by-day. A welfare state undertakes a large number of activities for well-being of the people. However , there are a number of activities which the state can not undertake and these needs to be undertaken by voluntary organizations.

16.5.2 : The significance of, voluntary action can, be -narrated, as follows :

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i) To enlist the participation of people :

The task of transformation of the under-developed societies into developed societies cannot be left only to the administration and certainly not to one single organization. It has to be the, collaborated effort of all agencies and institutions of the people. In order to broaden the base of the programmes and to enlist greater public participation in implementation of programmes of development, efforts of voluntary organizations would be more effective than efforts of an individual leader.

ii) Essential for rural development :

There is a need for the rapid growth of voluntary organizations in rural areas so that they can act as an effective agency to stimulate popular interest and initiative in all programmes of self reliance on the part of the people.

iii) Essential for preservation of democracy :

The voluntary organizations are absolutely, essential for the development of democracy in the country. They are, in fact, the surest guarantee against the dangers of growing State control over every aspect of national life.

iv) Supportive role :

The modern democratic Welfare -State undertake more responsibilities and functions than any of its forerunners. But, even a welfare state cannot do everything. There are number of activities outside the direct jurisdiction of the state which can easily be undertaken by voluntary organizations. Thus these organizations supplement the effort of the state voluntary organizations. State action can support in two ways : As a “parallel bar” theory, some services, for example, education, can be run directly by the government. But, along with the government, voluntary Agencies could also manage these services. When the State resources; are limited, voluntary action could bring forth additional resources and cover those areas which are left uncovered by the State. According to the extension-ladder” , theory, even where the State can find additional resources to fulfil its basic obligations and cover the entire services, voluntary organizations can still continue to function as an extension of the State service. In view of their flexibility, ability to experiment, pioneering spirit and other qualities, voluntary associations can continue to work for better standards, better methods and better forms, of organization.

v) Check on concentration of power :

Voluntary action also serves as a check on the concentration of powers in the State; It prevents government from monopolizing powers and functions in society, by involving citizens in public affairs. Not only it is necessary to diffuse and decentralize power from the national to the State and local levels, decentralization should also imply sharing powers with voluntary action. Thus

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voluntary organizations help, to bring about decentralization of power and citizen-participation.

vi) New avenues of activities :
Voluntary action by providing constructive activities for groups outside the area of politics, acts as a safety-valve and at the same time makes free talent available to society. Further, through voluntary efforts, citizen can release additional resources for meeting local needs and enriching social life. Besides, voluntary organizations can also search for new needs, work in new areas, uncover social evils and unmet needs. They can anticipate change which is inherent in the process of development, and act upon to make it less painful.

vii) Rural Development :
A number of voluntary organizations have been working in the field of rural development even prior to independence. The Community Development Programme had provided for the involvement of voluntary organisations, both in enlisting popular participation and in implementation of development programmes. However, neither the administrative machinery nor the policy makers had made any serious efforts to enlist the cooperation of such organisations and, in fact, kept them at a safe distance. However, the enormity of the problems of rurat development made government take seriously the issue of involvement of voluntary agencies. During the Fourth Plan period, the Peoples Action for Development (PAD), sponsored by the Food and Agricultural Organization (FAO) of the U.N., was adopted in India and financial assistance was given to a number of voluntary and service organisations working in the field of rural development. However, major breakthrough in this regard was achieved during the tenure of Rajiv Gandhi. The Seventh Plan provided a wide scope to voluntary organisations and their participation in the development activities. In the PAD programme the planning begins from the roots i.e. a village. It is expected that development of a village should be by the villagers themselves. Financial assistance is provided but the villagers should be the planners and executors. Local people have better knowledge of the idle resources in their own villages and they also know the methods of utilising them. In this process there is wide scope of the intelligence, initiative, imagination, action programme and hard labour of the people. This is complementary campaign to the development programme of the Government and the 20 point programme.

16.5.3 : Significance Of Voluntary Organizations

It is increasingly realized by both, the Government of India and the State Governments that the development administration machinery by itself can not bring about rural development. Therefore, CAPART and PAD are appropriate steps taken to involve voluntary

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organizations or NGOs in implementing the development programmes. In fact, in some cases, the entire responsibility was entrusted, to organization as 'Manav Lok' of Dr. Dwarkadas Loniya. Annasaheb Hazare's Ralegan shiddhi was the model of voluntary action for rural development. Thus, more than 1,200 voluntary organizations, are working in Maharashtra alone and have immensely contributed to the enormous task of rural development. They have generated development awareness among the rural masses and have organized them in changing their age-old conditions of poverty and misery.

In sum, the phenomenon of 'grassroots' voluntary activism is to be seen as an attempt to kindle faith and energy in anti establishment forces in a variety of settings at a time of general drift and loss of elan, also at a time when the suffering masses are found to be scared of confrontation with the status quo and are likely to walk into the trap both of populist measures, when the need is for people with will and creativity and readiness to wage sustained struggle not just against a local tyrant but against the larger social system.

Underlying the micro movements is a search for a more adequate understanding of the forces at work. They believe that available ideologies are inadequate to cope with the crisis they are in. They have found that none of the existing parties really cared for these unorganised and suffering masses. Hence, the need for a new genre of organisation and a new conception of political roles.

It is to fill this need that the widespread phenomenon of non-party political formations have emerged. In part, they are performing roles previously performed by Government or by opposition parties and their front organisations. In part they are performing new roles that have emerged in the new context or in condition of profound marginalisation of millions of people and the social and moral vacuum created by the indifference of the system to it. They are providing new linkages with segments which hitherto remained isolated and thereby bringing into the political process issues that were hitherto left out. Finally some of them are also seeking to link experiments at micro and regional levels to the macro political situation, partly by similar struggles at so many micro points and partly by the sheer impact of example. The more organised effort of joining up horizontally and vertically and building towards a more cohesive and comprehensive macro formation is in formative stage.

On the whole, though, it would be a mistake to think of these action groups as political parties. Their role is neither antagonistic nor complementary with the existing parties. It is a role an once more limited and more radical, taking up issues that parties are unwilling to take up, coping with a large diversity of situations that governments and parties are unable to cope, encompassing issues that arise from not merely local and national but also international

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forces at work the individual effort is expressed in micro terms but it deals with conditions that are caused by large-macro structures. The non-party political formations are thus a part of a large movement for global transformation in which Non-State actors on the hand and non-territorial crystallisations on the other are emerging and playing new roles.

16.5.3 : Collaboration between the Government and theVoluntary Organisations

The government has responded to the growing importance of the voluntary agencies. In 1972 it created a new body — People's Action for development (India) (PADI) to channelise funds to preferred Voluntary Agencies. With the increased - resilience of the voluntary sector in the eighties, Government merged PADI; with its sister organisation Council for Advancement of Rural Technology (CAPART) - to form the Council for Advancement of People's Action & Rural Technology (CAPART) under the auspices of the Ministry of Rural Development in 1986. Alongwith the older Central Social Welfare Board founded in 1953. CAPART is a major source of government funds being provided to the voluntary sector of government funds being provided to the voluntary sector. The State affiliate of CAPART - Bharatiya Vikas Lok Karyakram (Maharashtra) provided Rs. 90 lakhs to Voluntary Agencies for rural development and water supply schemes between 1972 and 1987.

The most important development of this period, however, is the unprecedented role assigned to Voluntary Agencies in the government's rural development programme in the Seventh Five year Plan (1985-90). The Plan document devotes an entire section to Voluntary Agencies. They are called upon to implement government effort so as to offer the rural poor, choices and alternatives, and to act as the eyes and ears of the people at the village level. In what is clearly a gesture towards NGOs, Voluntary Agencies are invited to mobilise and organise the poor and generate awareness to demand quality services and impose a community system of accountability on the performance of village level government functionaries. The specific areas and programmes in which the participation of Voluntary Agencies is sought, include areas of Major concern to the NGOs, implementation of land ceiling and distribution of surplus land, enforcement of minimum wages to agricultural labourers, as also identification and rehabilitation of bonded labour.

The ongoing Eighth Five-Year Plan (1992-1997), retains the emphasis on the involvement of voluntary agencies in the rural development programme of the government.

In addition to the measures listed above, the government also introduced field exposure to the work of rural voluntary agencies

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into the training programme for I.A.S. officers. The official policy of the government towards voluntary agencies is thus apparently based on watchful benignity. However, at the grassroots level, the actions of the police and the bureaucracy to Voluntary agencies also frequently find themselves at loggerheads with the local centres of economic and political power. These include influential and wealthy individuals or groups and the institutions controlled by them. In collusion with the local government machinery, they present a formidable threat to the more radical Voluntary Agencies. The latter have responded through a series of measures such as reaching a wider audience through the press, securing the support of influential political leaders and public figures, protest marches/demonstrations, seeking legal redressal and forming regional and national networks, such as Jana Andolan in Maharashtra and Voluntary Action Network of India.

16.7 : COUNCIL FOR ADVANCEMENT OF PEOPLES' ACTION AND RURAL DEVELOPMENT (CAPART)

At the Centre there were two autonomous organisations - One People's Action for Development (India) PAD and the other Council of Rural Technology - (CART). From 1986 these two organisations were amalgamated with the new name "Council for Advancement of Peoples Action and Rural Technology" (CAPART). The office of the new amalgamated autonomous organisation is located in New Delhi.

Financial assistance is made available to registered voluntary organisations from the CAPART for the following rural development programmes :

1. Pilot project of Public Co-operation - Agriculture, live stock, poultry minor irrigation, social forestry, rural health skilled training and vocational schemes on rural employment. The organisation provides financial assistance to the extent of Rs. 5 lakhs maximum.
2. Development of Women and Children in Rural areas to the extent of 5 lakhs maximum.
3. Accelerated Rural Water Supply Programme- No ceiling for financial assistance.
4. Low cost sanitation scheme - No ceiling for financial assistance.
5. Rural Landless Employment Guarantee Programme (RLEQP) No ceiling for financial assistance.

Thus the role of voluntary organization in rural development has received official recognition. There are more than 80,000 such organizations, of which 14,000 are registered ones and eligible for financial assistance. In times to come, involvement of voluntary organizations is going to increase in view of the overall development strategy of Eighth Five Year Plan.

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Peoples Action for Development (PAD) :
Taking the cue from the Centre, the Maharashtra State Government sought the Co-operation of the voluntary organizations to implement State-run schemes. But, the wheels of bureaucracy moved slowly and the People's Action for Development (PAD) was revived only in 1990 to encourage voluntary agencies to work in close co-operation with the State administration. Housed in Mantralaya the State headquarters, PAD maintained contact with more than 1,000 voluntary organizations in, Maharashtra in the last two years. The State Government plans to make a budgetary allocation of Rs, 11 crore from next year - ensure that the voluntary agencies do not have to scourge for funds. The State Government recently launched an ambitious Rs. 800 crore programme for water and soil conservation to fight the recurring droughts. The Government of Maharashtra wants the Non-Government Organization to be involved in the implementation of development programmes especially in the rural and tribal areas.

16.8 : QUESTIONS

1) What is people's participation? State its significance.
2) Explain voluntary organizations and people's participation relationship.
3) Explain about Administration and public relations.
4) Write on Administration's attitude towards people.
5) What is the need for reconciliation of public and Administration

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(MODULE 8)
Unit 17

17

RIGHT TO INFORMATION AND E-GOVERNANCE

Unit Structure :-
17.0 Objective
17.1 Right to information
17.2 E-Goverance
17.3 Decentralised planning
17.4 Unit end questions

17.0 : OBJECTIVE :

To understand and study about Right to information, E-Governance and Decentralised planning.

17.1 : RIGHT TO INFORMATION

17.1.1 Meaning - Right to information means the freedom of people to have access to government information. The social crusaders like Anna Hazare have launched public agitations to press for the right to information. As a result a legislation was enacted by the Maharashtra state Legislature in 2003. The advocates of the Right to information maintain that in a democratic state the people are sovereign and they have right to access information on the policies and programmes of the governement. They are opposed to the 'official secrets Act' of the pre 1947 period as people are deprived of vital information under the veil of secrecy. Barring the sensitive matters like defence and foreign policy; it is argued that there must be transparency in the working of government and this should be ensured by the Right to information.

17.12 : Importance of Right to information :-

1. It will help to bring participatory democracy in India.
2. It will help to reduce the scope of corruption in public administration.
3. It will help to reduce the gap between adminstration and people.
4. It would lead to openness, accountability and integrity in administration.
5. Brings information for the citizens - Right to information Act 2005 mandates timely response to citizens' requests for government information.

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17.13 : Request for obtaining information :-
A person who desires to obtain any information under this Act, shall make a request in writting or through electronic means in English or Hindi or in the official language of the area in which the application is being made, accompanying such fees as may be prescribed.

17.2 : E-GOVERNANCE

17.2.1 : Meaning - The impact of information technology on Indian Adminstration finds manifestation in the Electronic governance, i.e. e-governance. EG is the application of ICTs to the processes of government functioning to accomplish simple, accoutable speedy, responsive and transparent governance.

E-G is not about simply automating their current ways of doing business. With the new tools of a networked society, government is not merely computerising existing government; it is transforming the existing government." E-G is the ICT enabled route to achieving good governance. It integrates people, processes information and technology for meeting governance goals. E-G represents a journey from passive information giving to active citizen involvement :

Informating The Citizen; Listening to the citizen; Representing the citizen; Consulting the citizen; Engaging the citizen.

"E-G involves new styles of leadership, new ways of debating and deciding policy and investment, new ways of accessing education, new way of organising and delivering information and services."

17.2.2 : The Principal goals of expanding e-government are:
To Make it easy for citizen to obtain service and interaction with the government at different levels;
-Improve government efficiency and effectiveness; and
- Improve government responsiveness to citizens.

Government to Citizen (G2C) initiatives are to bring one-stop, online access to benefit and services. This potential for under activity is identified as one of the most important elements in the way E-G will change the nature of government.

Government to Business (G2B) initiatives will adopt processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses and enable digital communication with business using the language of e-business.

Government to Government (G2G) initiatives will enable sharing and integration of Central, State and local data to facilitate better leverage of investments in IT systems and to provide better integration of key government operations.

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Internal Efficiency and Effectiveness initiatives will bring commercial best practices to important government operation, in particular, supply chain management, human capital management, financial management and document workflow.

The application of information technology to administration is described as E-Administration. This process includes computerisation of land records which are very vital to the rural community, electronic access to adminstration and its functionaries and immediate availability of information sought as well as redressal of grievances.

Potential Benefits of E-G and E-A

E-G is widely recognised as an effective instrument to :

- reduce poverty and spur sustainable development
- foster democracy, efficiency and transparency.
- provide better services for its citizens and
- promote competition and innovation thus improving the quality of life for communities.

Electronic delivery of services and information would enable governments to :

- reduce geographical and language barriers
- faciliate timely delivery
- accommodate special needs
- integrate processes and functions to achieve efficiencies and cost reduction.
- respond to rapid changes and
- be available to the public anytime, anywhere.

Countries like India have the opportunity to leapfrog development cycles by adopting proven best practices in governance.

E-G yield three broad sets of benefits :

- Improving government processes;
- Connecting citizens;
- Building relationships with and within civil societies.

Automation can cut financial and time costs and support efficiency or productivity improvements. In developing countries where relatively inexpensive manpower is available, replacing them with costly ICTs cannot be justified on financial cost ground; ICTs need to be justified in the context of other long term imperatives.

The source of efficiency gains are :

- Governance that is cheaper : producing the same outputs at lower cost;
- Governance that does more : producing more output at the same total cost;
- Governance that is quicker : producing the same output at the

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same total cost in less time.

The sources of effectiveness gains are :
- Government that works better : producing the same outputs at the same total cost in the same time but to a higher quality standard;
- Governance that is innovative producing new outputs.
  Other benefits :
- Internally providing such benefits as close monitoring of process performance or better staff motivation or an improved public image;
- Externally, by delievering cheaper, better services to those who depend on government or transferring power, authority and resources to lower, more localised levels of administration.

Connecting citizens :
- Talking to citizens : Providing details of government activities, making public servants more accountable for their decisions and actions.
- Listening to citizens : Making public decisions more responsive to citizens views or needs.
- Improving public : Delivering quality, services convenience, competitive cost.

E-G helps forge better working relationship with business : digitising procurement from services to businesses improve quality, convenience and cost. E-G also contributes to developing communities.

17.2.3 : The Process of Implementing E-G

Following framework will help to understand the issues involved in planning E-G initiatives.

Vision and context : What is possible and desirable through the use of e-government? What are the opportunities and challenges?

Responsiveness : How can e-government make governments more responsive to the need of society?

Capacity : How can e-government make government's internal operations more efficient and effective?

Operations : What is required for e-government to work?

Measurement: How do we measure the impact?

Within this framework, an E-G inititive will address specific issues such as :

- What are citizen's expectations of e-government? How can government ensure the needed capacity to collect and respond to these expectations? Can governments keep pace with rising expectations for e-services?

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- How will e-government affect governments' external relation with citizens, businesses and civil society? What impact will it have on society in general?

- How will e-government offer the role and functioning of democratic institutions, including the relationship between Parliament and the Executive?

- How can e-government strategies be best formulated and managed to achieve national policy objectives?
  Will e-government result in changes in procedures and/or lines of accountability that increase transparency and accountability?

How can administrations best organise and plan to take full advantage of the
communications and networking potential of e-government?

-How can e-government contribute to the cost efficiency of government services?

What will be the implications for government structures and processes?

The above questions addresses such aspects of public administration as the delivery of services, decision-making, knowledge management, communication, human resources and financial management and regulations. They will also help assess the potential impacts of e-government in transparency and accountability, efficiency and effectiveness and overall coherence of government.

17.2.4 : Stages of Implementation of E-G

United Nations has identified five phases for assessing a Country's progress towards E-G.

Phase I - Emerging Web presence : This is the start-up phase of Passive relationship between the government and the public. Government and its clients do not communicate on the Web. A Country may have a single or a few official national government Websites that offer static information to the user. Laws, regulations and rules, guidelines, handbooks, directories, etc. are published on the Internet.

Phase II - Enhanced Web presence : This phase represents an Active / Passive relationship; the government is active in disseminating information but users are passive. The number of government Web pages increases as information becomes more dynamic with users having more options for accessing information. Users may be able to download specific forms.

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Phase III - Interactive Web presence. In this Active/Active Relationship, interactions between government and the public can be completed on the Web. Users can obtain a tax form on the Web, fill it in on the Web, and send it back to the tax authority through the Web.

Phase IV - Transactional Web presence : E-government matures at this phase. Business transactions can be fully completed on the Web, electronic filing and subsequent electronic funds transfer. Restructuring the government becomes imperative at this stage.

Phase V - Fully Integrated Web presence : This phase represents the complete integration of all online government services through a one-stop-shop portal.

17.12.5 : Two Most Important Electronic Delivery Channels -
Two of the most popular and effective electronic delivery channels for government information and services are Public Kiosks and World Wide Web Home Pages/Internet.

Websites
Internet's WWW is the most, ubiquitous and least expensive medium to disseminate information for government (in fact, anybody) on its services and initiatives as well as culture, economic and other subjects unique to a region. Government and government agencies across the world are creating large number of Websites to exploit this medium.

There are, however, two disadvantages : usage is available only to those individuals with access to a personal computer and internet; only transmission of information not for the actual transmission of services.

Public Kiosks
International examples abound of the effective use of Kiosk technology deliver government information and services. A variety of concepts are used to describe public access cpmmunication and information services, commonly known as tele-service-centres.

One of the greatest attraction of telecentres is that costs are kept low by taking advantage of the fact that communication and computing technologies allow voice, fax and internet data to travel over the same telecommunication link.

In countries like India with low computer literacy, and low computer / internet connectivity, relevance of telecentres is extremely high. The intervention of a human intermediary with skills and knowledge between the citizen and growing digital infrastructure of e-goverance, as is provided at a telecentre, is of vital importance.

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Telecentres can be publicly or privately owned, be part of a public or private franchise or may be owned or operated by government departments, schools, community organisations and NGOs. Telecentres are started in co-operatives, libraries, community centres, churches, and farmers' groups, or even operated by a community radio station. They can operate as individual businesses, as part of a franchise or as multi-branch company.

Worldwide, telecentres will range from a Micro centre with pay phone(s) with a built-in web browser and possibly a smart card reader and receipt printer to a Full Service Telecentre with many phone lines, multi media PCs with internet access; printers, a scanner, a digital camera, a video camera, a TV, and overhead projector, a photocopier, a laminator, meeting rooms; and a telediagnostic and video conferencing room.

Typically, telecentres will provide a range of services as well as information on a variety of subjects which a visitor wants to access. The services include Web-based content in local languages, email/voice mail; word processing and desk top publishing; online display of examination results; telemedicine; online greivance redressal; e-commerce; music and games; internet telephony; distance education, training and skill development; information access through CDs; downloading forms/ applications and online submission; and telemarketing

17.2.6 : Pre-conditions for Success in Implementing E-G :
Management of information is a cbmplex task because of its complex characteristics, more so when you deal with that of an linstitution like Government.

The path to E-G is strewn with many obstacles - reluctance to accept change; many governments see the free flow of information as a threat; some use IT to empower the people, others to gain more control; legacy of paper-based systems; existing laws and regulations; deeply-entrenched cultural habits of civil servants security and confidentiality concerns; shortage of skilled knowledge workers; and high public expenditure.

Lack of readiness for E-G contributes to both lack of and failure of E-G initiatives. A wide range of infrastructure has to be in place before a government can effectively take on E-G..

Data System :
The management systems, records and work processes have to be readied to provide the quantity and quality of data to support E-G.

Capability to use local languages in their systems has to be ensured. Content on the Website should be current, accurate, understandable, trustworthy and available in a timely manner.

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Legal Infrastructure:
The laws and regulations required to support E-G should be enacted. For instance, creation of Public key Infrastructure and Certification Authorities are essential without which e-commerce and E-G. in the final phases, cannot take off effectively. Public Key Infrastructure is to encrypt communications for security, authentication and non-repudiation for facilitating online transactions.

Technological Infrastructure:
Creation of network infrastructural in which computing, connectivity, interoperability and security are assured, is of vital importance. Developing a high-capacity communications infrastructure is essential to reduce the current digital divide between high bandwidth (generally urban) and low speed dial up users'.

Human Infrastructure :
People with the right skills, attitudes or mindsets are essential to initiate, implement and sustain E-G. Most of those in the government tend to resist change, lack customer orientation and resist information-sharing.
Ensuring this is the greatest challenge.

Institutional Infrastructure :
There has to be a dedicated institution to act as a focus, to lead and drive E-G.

Leadership and Strategic Thinking :
Successful E-G initiatives demonstrate that one champion or a small group of champions provide the leadership and vision to take other along and put E-G on top of the agenda of a given government. The passion with which Chandrababu Naidu, the Chief Minister of Andhra Pradesh, has been pursuing E-G initiatives is a case in point.

Think Big, Start Scale Fast" is robust guideline to pay attention to while implementing E-G programmes.

17.2.7 : E-Governance in India
A wide range of E-G initiatives are being pursued at the national as well as the State-level with varying levels of commitments and success.

According to NASSCOM, the southern States of Andhra Pradesh, Karnataka and Tamil Nadu are leading in terms of implementation at different citizen-Government interfaces. Others, Kerala, Gujarat, Maharashtra, West Bengal and Raj asthan are catching up fast.
Nevertheless, other than a few show-case projects, E-G has not made much progress due-to several operational, financial, personnel, planning and implementation challenges.

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17.2.8 : The major hurdles :

- **Operational hurdles:**
  No clear revenue stream for the private sector; lack of coherent government policies; inappropriate processes for tendering, RFPs and bid assessment.

- **Financial :**
  Government unwilling to commit funding; uncertainties in viability of public-private partnerships.

Planning and Implementation :
No clear roadmap with measurable milestones; focus on computerisation and hardware spend; low emphasis on process re-engineering and management change.

Personnel :
Absence of appropriate work Culture; lack of ownership of projects and frequent personnel transfers, NASSCOM has recommended a **three-phase Action Plan for E-Governance.**

Phase I: By end 2003
- IT training to be made mandatory for all Class I government personnel.
- Tendering and bid evalutation procedures be re-written to encourage participation.
- NISG (National Institute of Smart Governance) to be operational. Role of NIG (National Informatics Centre) to be clearly defined.

IT champions in Government departments.

Phase II : By end-2004
- State 'wide' area network in place
- PC : Personnel ratio of 1:4 in all departments
- Identify core projects to be automated
- Citizen ID cards
- Computerisation of all land records
- State funding from Centre to be linked to e-Governance spending.

- **Phase III :** By end-2005
- States to offer citizen services online
- 50% of all government, procurement to be online
- Focus on developing applications for primary health, disaster management and education.

• Accelerate public-private partnership when core infrastructure and procedures in place.
• Secure multi-lateral funding to accelerate e-Government spending.

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Some E-Governance Initiatives

A brief account of some noteworthy e-governance initiatives is as under :

1. Gyandoot

Gyandoot (Messenger of Information) Project, India's most successful government-to-citizen intranet project, set up over 30 internet-connected villages in a district in Madhya Pradesh provide user-charge-based services to the rural people.

The capital investment involved in setting up the kiosk is taken care of by the District Council and is operated by a carefully chosen local matriculate who runs it on commercial lines. He bears the cost of stationery, maintenance and electric and telephone bills. He Pays 10% of income as commission to the District council for maintaining the net. Each kiosk operator is expected to earn a net income of at least-Rs. 36,000 per annum at conservative projections.

The services and facilities offered, are :

Prices of agriculture produce at different auction centres (at a nominal charge of Rs. 5/-); on-line registration of applications for obtaining income/caste/domicile certificates (for Rs. 10), on-line public grievance redressal (Rs. 10/-); a fee based e-mailing facility; village auction site at Rs. 25/-) one can put one's Commodity on sale for three months and Rs. 10/- for browsing the list of saleable commodities); on line matrimonial site (Rs. 25/- for three months); information regarding government programmes.

The public expects government services to be comparable with the best services available from the private sector in terms of quality, accuracy, timeliness and user-friendliness. They no longer tolerate delays, bureaucratic mistakes or excessively time consuming difficult procedures. They expect to be treated individually and to have range of options available to them, enabling them to select the best combination for their needs.

Decision-makers in government today are confronted with proposals for reinventing, reengineering, redesigning; downsizing or outsourcing the processes of their organizations. All driven by Information and information and Communication Technologies (ICTs).

"E-government is a tool. And like any tool, no rnatter how powerful, it has limited value and relevance in itself. Its values arises from its application to specific goals and objective.

In the final reckoning, what matters is how far E-G initiatives help improve the quality of life and foster sustainable human development by bringing together public and private interests to build the digital infrastructure, or by refashioning government processes to bring them more in line with the operating practice of business, or by improving the policy formulation process to make

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policy more effective and responsive in a changing environment.

"While many governments are making strides, too few are moving quickly enough, and none can afford to be left behind", IBM.

A recent study done at the Brown University, USA, analyzing the performance of 1197 national government Websites *in* 198 countries on a 100-point scale using two dozen different criteria Indicates:

- Services offered in 88% of government Websites are not executable online.
- 86% of the Websites have no privacy policy.
- 91% have no Security policy.
- 75% did not respond to an email responsiveness test.

Of course, considering the newness as well as the complexity of the technology and its application, what we have achieved is surely not unremarkable. The point however, is that for Leveraging the full benefit of the greatest technology of our times for E-G, lot more remains to be done.

Kerala - FRIENDS

The Dept. of IT, in association with the local bodies and seven government departments have set up an Integrated Services Centre called FRIENDS (Fast, Reliable, Instant, Efficient, Network for Disbursement of Services) with a view to enabling a smooth and transparent C2G interface. These centres accept rail utility bills, taxes and fees pertaining to the participating departments and offer quality services to the citizens. FRIENDS has been launched in all 14 district headquarters in the States.

Kerala - AKSHAYA

The project is envisaged as a practical, commercially viable enabler to impart basic IT literacy to at least one member of each of the 65 lakh families in the State and to extend the training initiative into a service delivery mechanism for the local citizen conceived as a Public Private Partnership programme. Each of the Akshaya centres will be equipped with necessary equipment like computers, fax, printers, telephones, broad band Internet connection and software so as to cater to the information and communication requirements of the local citizens.

The Internet (arguably the most important communication tool the world has seen, so far), powerful microprocessors, high capacity degital services, low-cost memory, and broadband networks are redefining the world as we know it.

The breathtaking pace of technological change transforming every institution. Human knowledge is doubling every seven to ten years. Communication is now nearly instantaneous. These changes are causing staggering upheaval in the familiar systems including governance.

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17.3 : DECENTRALISED PLANNING

India is a very large country, comprising 28 States and 7 Union Territories, districts, 5,011 blocks and six lakh villages, with immense diversity in material and human resources. Proximity with the area and the people whose development is contemplated is essential for adequate knowledge and understanding of local problems, the locality's constraints as well as its potential.

It is obvious that planning for rural development has to be undertaken at a fairly decentralised level. Without a firm grasp of the wide variations in natural endowments, soil and climate, social and cultural milieu, historical legacies and group alignments, area planning would lose much of its relevance.

Decentralisation should include all aspects of local level planning, its formulation, implementation, monitoring, etc., for effective and purposeful rural development. Development does not simply mean in the domestic product of the area concerned but egalitarian and non-exploitative society. In other words, the objective is not simply the development of the areas but also of the people especially that of the weaker sections. Decentralisation becomes all the more necessary if this broader objective of development is to be achieved.

Planning may be centralised or decentralised. This division is made from the viewpoint of the execution of plans. Under centralised objectives, targets and priorities for every sector of the economy. It takes all investment decisions in accordance with the goals and targets of the plan. The principal problems of the economy - what and how much is to be produced, how, when and where it is to be produced, and to whom it is to be allocated - are exclusively decided by this authority. The central planning authority controls every aspect of the economy. It fixes prices of all products and wages of all types of workers. All anticipated financial product and factor imbalances that are likely to arise within the planning period, are sought to be corrected in advance to the planning authority. Oscar Lange rejects centralised planning because of its undemocratic character. The entire planning process is based on bureaucratic control and regulation. Naturally, such planning is rigid. There is no economic freedom and all economic activities are directed from above. Shortages and mistakes arising during the course of planning are, not likely to be rectified because of the absence of decentralised decision-making.

On the other hand, decentralised planning refers to the execution of the plan from the grass roots. Under it, a plan is formulated by the central planning authority in consultation with the different administrative units of the country. The central plan incorporates plan under the central schemes, and plans for the states under a federal set up. The state plans incorporate district and village level plank Similarly, plans for different industries are formulated in

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consultation with representatives of industries. But individual firms are free to take independent decisions about investment and output policies, and so are individual farmers. Under decentralised plaining, prices of goods and services are primarily determined by the market mechanism despite government control and regulation in certain fields of economic activity. There is freedom of consumption, production and enterprise under it. However, the planning authority recommends to the central and state governments to provide certain incentives to the private sector. It also lays down areas of public sector activities.

However, in the context of rural development, it is too simplistic to describe the planning from the above' as 'centralised' and 'planning from the below' as 'decentralised'. Planning from below does not mean cumulative totaling of block plans into district plans, district plans into state plans and ultimately state plans into the national plan. What is contemplated is not simply adding up but coordination of plans at each successive higher level in the process of integration inevitably one has to make adjustments in plans formulated at lower levels. This would mean some curtailment of the authority of local level planning. Adjustments made at a higher level should, not be arbitrary and should be made through mutual, discussion.

The proper way to look at decentralisation is to view it as two way process. Priorities-not necessarily rigid-and the quantum of financial resources which could be made available from national to state and from state to district and so on-apart from those which could be raised at respective levels without cutting into the sources available to higher - levels, - will have to be determined from above. Each and every project and public expenditure allotted to it do not become sacrosanct simply because they have been determined by local-district, block, mandal-authority. Planning is not wish fulfilment. It may not be possible to fully satisfy even the felt needs. If financial resources are not in sight, even needs would, require prioritisation. Besides, every welfare or developmental needs has a physical and financial linkage consequence. Thus more food will need better seed, irrigation, fertiliser, etc., and more milk would need better cattle, fodder, veterinary services, chilling plants, bottles and bags. It will not be possible to fully, envisage the linkage consequences at disaggregated levels, and the investment may prove to be uneconomic or even anfractuous, if forward and backward linkages are not taken into account. Such problems do not arise in a free market economy because the individual entrepreneur bears the risk of his error of, judgement. But when rural development projects are launched by the state, subsidised by it and financed by public sector banks, great care has to be exercised in the choice of projects and their implementation. There are certain national priorities; though perception about them may differ according to one's ideological perceptions. Similarly, every state government has its own set of priorities within the national

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frame. In a two-level planning Commission, When a third tier, namely, the district, is added to the planning, hierarchy, the problems of co-ordination and reconciliation become more difficult to handle.

17.3.1: MULTI-LEVEL PLANNING

The concept of multilevel planning is the operational form of the decentralized planning. The uni-level planning, described as 'command planning', was practised in the former socialist countries. The single central planning authority was entrusted with decision-making powers and its commands (decisions) were implemented by the regional and local agencies. On the other hand, social and economic planning is a subject included in the Concurrent List under the scheme of distribution of powers in the Indian Constitution. As a consequence, the planning process in India is federal in nature; wherein the centre and states have powers pertaining to planning. In addition to these two levels, the planning at the grass roots level was adopted and led to the third level, i.e. the district level planning. In order to make the planning more meaningful, the Planning Commission has, accepted the concept of Block level planning.

Thus the planning process in a large democratic polity like India takes place at more than one level and hence described as multi-level planning.

- Multi-level planning is, basically an exercise in the decentralization' of the planning process. The heart of the concept is therefore decentralization. Decentralization is not mere "breaking the bulk", but ensuring many 'complementarities", "consistencies" and "flows" as well as closing the "gaps". In order to understand the nuances of the concept further, we may distinguish it from two well-known expressions viz., "deconcentration" and "delegation". The term "deconcentration" implies only "breaking the bulk" i.e., to decrease the quantity in unit space. It is thus merely a mechanical process. "Delegation" implies entrusting or committing some tasks to a lower level for administrative convenience. Decentralization, on the other hand, implies assigning a particular "role" in the process, that is, the level to which decentralisation takes place is made to have a viable stake in the process.

It means assigning of both powers and responsibilities and rendering the level fully accountable for its activities. The "clear role" and "accountability" seem to be the hall-marks of decentralization.

Decentralization requires certain conditions to be met, if it is to succeed. In this context, it may be noted that :

1. Mere delegation of some powers and functions to sub-national units does not achieve all that is required;

2. Genuine popular involvement in the process of planning is absolutely necessary. "Trusting the people is an indispensable pre-

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condition for bringing any kind of radical change in society"; and

3. The roles of the different agencies should be properly spelled out. Duplication should be avoided. It is necessary to clarify the work to be done at different levels and to indicate how their work is integrated with that of the Planning Commission.

The extent of decentralization needed for a country and the content of that decentralisation would depend on the problems and needs, perceptions and value systems of the country. The multi-level planning procedures are determined largely by the country's situation, its socio-political climate and its "development setting" Thus a multi-level planning system has to be designed for the specific situations and cannot be generalised.

The multi-level planning operation represents a "system approach" in planning The "systems approach" implies that there are sub-systems within a system. These sub-systems will have a cluster of activities based on inter-dependent and inter-linked activities. The system approach pre-supposes that managerial command should include as complete a segment of the task as possible. Thus, a sub-system is a relatively independent system and yet part of an inter-dependent system. While carving out sub-systems, therefore, certain principles have to be kept in view-the principle of activity differentiation, the principle of inter dependency and the principle of small external effects.

17.3.2: Pre-requisites of Multi-level Planning

The pre-requisites of multi-level planning are as follows:

i) Identification of level and functions to be performed at each level;
ii) Establishment of planning machinery at each level with suitable trained staff;
iii) Indications of outlays that would be available for planning at each level;
iv) Delegation of powers matching resources and responsibilities in consonance with tasks assigned;
v) Well-defined procedure and time-frame for various stages of planning to be accomplished.

17.3.3 : RATIONALE FOR MULTI-LEVEL PLANNING

India has adopted multi-level planning owing to the realization that centralized planning cannot solve the development problems of a vast country, with varied developmental needs. The arguments put forth in support of multi-level planning, are as follows :

1. Centralized planning results in lags between development and the utilization of resources and capacities. These lags can be considerably reduced in decentralised planning.

2. The planning process cannot succeed purely on bureaucratic lines. Active participation, involvement and support of the local people are needed if planning and implementation are to succeed. Participation of people can be achieved only if

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planning is carried to the lower sub-national levels. Thus decentralisation is needed for effective mobilization of public participation.

3. Decentralization is needed in order to counteract the evils of a highly centralized type of planning and decision-making. The centralized type of planning cannot adequately take care of all the requirement at different territorial and sectoral levels of the planning process.
4. The task of planning requires not only the formulation a broad policy framework but also specification of the details of this framework. A specification of details would be possible only in the light of relevant information and data. This kind of information is more readily available "on the spot". Planning has, therefore, to move closer to those levels where better-informed decision-making would be possible.
5. When planning becomes decentralised, it would tend to become more area-specific; that is, it would be possible to establish close complementary between development schemes and local potentials, problems and priorities.
6. In developing countries like India characterised by inter-regional disparities in development and heterogeneity in social structure, the problems of poverty and unemployment are "area-specific" and "group-specific" and demand a decentralized approach toward their solution.
7. It has been established that decentralized planning ensures better spatial convergence and sequencing of inter-related activities and optimisation of investments.

17.3.4 : Operational Dimension

The essence of multi-level planning is decentralization. This decentralization does not simply mean disaggregation *of* targets and resources to different levels. Such a disaggregation would be a static breaking down exercise and not multi-level planning. On the other hand, multi-level planning implies that planning would be undertaken at each level independently, the plans at each level will be matched with those at the other levels and fitted together to produce a unified plan. While the unified, plan itself will have a certain unity and internal consistency, the plans drawn up at the different levels will also be characterised by such unity and consistency.

The concept of multi-level planning incorporates the principles that proper decision-making is possible at *Any* level if the strategy at each level is determined after careful consideration of the potentials, needs and limitations of the next higher as well as the next lower levels of planning. Thus, each level does not look upon planning as a self-contained activity at that territorial level, but recognises the openness of the economy and always has an eye on spill-over associations, inter-relationships and

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Complementarities

Multi-level planning is a two-way approach. It requires a lot of preparatory efforts from both ends. The higher level should give all macro framework indicators and guidelines for planning. The lower level must feed the higher level with information and has also to prepare the plan from below. The two approaches will then have to be harmonised.

17.3.5 : THE STAGES OF MULTI-LEVEL PLANNING

In order to ensure that the multi-level planning; becomes meaningful, the following stages, have to be observed:

i) The first stage in the multi-level planning process is the determination of appropriate levels of decision-making with reference to various activities. This, would include

(a) establishment of a suitable planning machinery or structure at the level which will be the nucleus planning body; (b) defining the scope and functions of planning at each level; and (c) deciding on inter-area allocation of resources among different levels.

ii) The second stage in the multilevel planning process Involves organising inter-action between different levels in 'terms of exchange of information and organising deliberative consultations at different stages of plan formulation and plan appraisal. This step is the most important and the success of a Multi-level planning operation would depend on the frequency and efficiency of this process of inter-action. Suitable conventions and procedures will have to be evolved for this repetitive process to be successful.

iii) The third stage in the multi-level planning process is what is called the "nesting" of the plans at different levels and integrating them into a unified frame. Nesting implies securing both balances within the plans drawn up for different levels and also their harmonisation. Integration is a multi-level concept. Securing integration within plans at different levels implies achieving balance at three levels viz., sectorial, spatial and operational levels/ At each level, the balance has to be achieved within certain parameters. Sectoral balance has to be achieved with due consideration for national and State priorities, localre levance, economic efficiency and internal consistency. Similarly, spatial balance has to take into account considerations like location, accessibility, net-work or international efficiency. Operational balance has to be achieved with due consideration to organization, delegation of functions and powers, management procedures and personnel systems. Thus, integration of plans at different level itself is a complicated process. Such integrated plans of different level will then have to be harmonised. This task is call "nesting".

Multi-level planning may thus be viewed as an intricate management concept calling for some exacting jobs. These include organization of planning machinery at different levels with adequately trained and sufficiently motivated personnel,

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establishment of proper procedures of work between and within the levels and managing inter-actions among and within the system and the sub systems,

17.3.6 : FRAMEWORK OF MULTI-LEVEL PLANNING

The framework of multi-level planning, in the Indian context, is as follows:

1. National Level : At the national level the Planning Commission was established in 1950. It is the central, as well as the supreme authority, in the sphere of planning. It is expected to undertake the tasks of determining the plan priorities and broad allocation of resources to the different undertaking planning for strategic commodities, services required by the whole country and international transactions. It is also entrusted with responsibility of formulating and implementing the programmes related with the betterment of the standard of living of the people.

2. Inter-state Level : The National Development Council, established in 1953, serves as a link between the Union and the States. The issues involving uniform policy, for the whole country are decided by the Union government, the planning Commission and the State governments. The Five Year Plans prepared by the planning Commission are discussed and ratified by the National Development Council.

3. State Level : Most states have evolved their planning machinery during last three decades. They prepare state plans within the framework of the five year plans. The State level planning is more concerned with such activities as agriculture and allied activities and infrastructure provision which will include irrigation, power, roads, transport and provision of social services.

4. District Level : District level planning relates to the preparation of the plans for the development of district, development projects which may be located in the district minor and medium irrigation schemes, small scale industries, agriculture and animal hasbandary, provision of social services within the district.

5. Grassroots Level : The origin of the grass roots level planning can be traced back to “self-sufficient village community” during the ancient and medieval India. However, the village economy was destroyed during the later eighteenth and nineteeth century by the British rulers. During the pre-Independence period, the concept of grass-roots planning was revived by the developmental experiments at Martandam by Dr. Spencer, Shree Niketan of Ravindranath Tagore and the constructive programme propagated by Gandhiji. As a consequence hundreds of developmental projects at the village level were undertaken by the Gandhian workers. Gandhiji advocated the concept of “Gram Swaraj”, which in planning terminology implies grass - roots planning.

In the post-independence period, the Community Development Programme of rural development was launched on 2nd October,

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1952. A new adminstrative structure - Development Block - was evolved as it was felt that village was too small and district, for that matter Taluka or Tehsil, was too large a unit to effectively implement development programmes. Thus a development block comprised of 60 to 75 thousand populations, living in 75 to 100 villages. Development machinery, headed by a Block Development Officer and eight to ten village level workers was provided. There was no specific reference to the block level planning but developmental work was assigned to the grass root level entity.

The Study Team headed by Balwatrai Mehta recommended democratic decentralisation, including the development and planning and to provide pivotal role to the intermediate tier, i.e. the Block level organization. Another significant aspect was the recommendations regarding the Gram Sabha. The Gram Sabha, the Village Assembly of the entire village population was expected to take decisions regarding the developmental works to be undertaken in the village. Thus grass roots level planning was ever present in the thinking of planners; but owing to inadequacy of the administrative structure, lack of funds and absence of developmental awareness among the rural people, no serious effort was made to practise grassroots level planning.

17.4 QUESTIONS

Write Notes on :
1. Right to information
2. E-Goverance
3. Decentralization

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POLITICAL SCIENCE – PAPER III
(Revised Course)

3 Con.42(a)-O7. **(REVISED COURSE)** **JL-670**

(3 Hours) **[Total Marks : 100**

N.B. (1) Attempt any **five** questions of which at least **two** must be from **each** section.
(2) All questions carry equal marks.
(3) Tie the answer-books of two sections together.

Section I

1. Define Public Administration. Discuss its scope.
2. Discuss the contribution Maxileber to Public Administration.
   (a) New Public Management
   (b) Good Governance
4. Explain about Legislative control over public Administration.
5. Write short notes (any **two**) :-
   (a) New Public Administration.
   (b) Herbert simon on Decision making.
   (c) Executive control over the Administration.
   (d) Change nature of Public Administration.

Section II

6. Explain the Significant features of the India Administrative System.
7. What is budget? Discuss the main stages in the Preparation of budget in India.
8. Explain the composition, role and functions of the Union Public Service Commission.
9. Define Corruption. Discuss the problems of corruption in administration. Suggest measures to minimize corruption.
10. Write short notes (any **two**) :-
    (a) Urban Local Government
    (b) Comptroller and Auditor General of India.
    (c) Public Accounts Committee.
    (d) Right to Information.

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(REVISED COURSE)

(3 Hours) [Total Marks:100

N.B. (1) Attempt any **five** questions of which at least **two** must be from **each** section.
(2) All questions carry equal marks.
(3) Tie the answer books of two sections together.

Section I

1. Define Public Administration? State the role and importance of Public Administration in Modern State.
2. Explain the following concepts :-
   (a) Comparative Administration.
   (b) Development Administration.
3. Evaluate Herbertsimon's views on the Theory of Decision Making.
4. "The entire administrative machinery comes under the control of the Legislature." Discuss.
5. Write short notes on any two of the following :-
   (a) New Public Administration
   (b) Scope of Public Administration
   (c) Changing nature of public Administration
   (d) Good Governance

Section II

6. Discuss the provisions made in the constitution of India with regard to India Administrative System.
7. Critically analyze the process of recruitment to All India Services.
8. "Financial Administration is one of the most important aspects of Public Administration." Comment.
9. Explain about Rural self Governance.
10. Write short notes (any **two**) :-
    (a) People's Participation in Administration.
    (b) Right to Information.
    (c) Lok Adalat.
    (d) Role of NGO's.

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(REVISED COURSE)

(3 Hours) [Total Marks:100

N.B. (1) Attempt any **five** questions of which at least **two** must be from **each** section.
(2) All questions carry equal marks.
(3) Tie the answer books of two sections together.

Section I

1. What is Public Administration? Explain its nature.

2. Review Max Weber's views on bureaucracy.

3. Give a critical account of 'New Public Management' ideology.

4. Explain the Legislative and Judicial control over administration.

5. Write short notes on any **two** of the following.
   (a) Importance of public administration.
   (b) McGregor – The Human side of enterprise.
   (c) Good Governance
   (d) Hebert Simon and decision making.

Section II

6. Explain the significant features of the Indian Administration system.

7. State the process of recruitment of higher Civil Services in India.

8. What is budget? Discuss the main stages in the preparation of budget in India.

9. Write on rural and urban local government in India.

10. Write short notes any **two** ☐♐ ♦♒♏ ♐☐●●☐♦♓■♑✍
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