DIRECTORATE OF DISTANCE EDUCATION

UNIVERSITY OF NORTH BENGAL

MASTER OF ARTS-HISTORY

SEMESTER -I

INDIAN ADMINISTRATION

ELECTIVE-104

BLOCK-2

UNIVERSITY OF NORTH BENGAL

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FOREWORD

The Self Learning Material (SLM) is written with the aim of providing simple and organized study content to all the learners. The SLMs are prepared on the framework of being mutually cohesive, internally consistent and structured as per the university's syllabi. It is a humble attempt to give glimpses of the various approaches and dimensions to the topic of study and to kindle the learner's interest to the subject

We have tried to put together information from various sources into this book that has been written in an engaging style with interesting and relevant examples. It introduces you to the insights of subject concepts and theories and presents them in a way that is easy to understand and comprehend.

We always believe in continuous improvement and would periodically update the content in the very interest of the learners. It may be added that despite enormous efforts and coordination, there is every possibility for some omission or inadequacy in few areas or topics, which would definitely be rectified in future.

We hope you enjoy learning from this book and the experience truly enrich your learning and help you to advance in your career and future endeavors.

INDIAN ADMINISTRATION

BLOCK 1

BLOCK 2

BLOCK-2: INDIAN ADMINISTRATION

Introduction to the Block

Unit 8: Economic liberalization and its impact on administration deals with clear understanding of globalisation and privatisation concept and appreciate the interrelationship between liberalisation, globalisation and privatizationUnit 9: Social security in India & CWSB deals with Social Security and also discuss with the Social Welfare Administration.

Unit 10: Emerging issues in Indian Administration deals with meaning and importance of Administrative Reforms.

Unit 11: Generalist-Specialists: complementarity and compatibility deals with concept about the Generalist-Specialists

Unit 12: Corruption and redress of citizens' grievances deals with importance of redressal of public grievances in a democracy

Unit 13: Administrative Reforms deals with different Administrative Reforms Commission in India since independence and their workplans.

Unit 14: E-Governance deals with concept and significance of e-governance

UNIT -8:ECONOMIC LIBERALIZATION AND ITS IMPACT ON ADMINISTRATION

STRUCTURE

8.0 OBJECTIVES

After reading this unit you should be able to:

- To develop a clear understanding about the concepts of liberalization;

- To know about the globalisation and privatisation concept and appreciate the interrelationship between liberalisation, globalisation and privatization;

- To understand the merits and demerits of the economic reforms undertaken in relation to liberalisation, globalisation and privatization.

8.1 INTRODUCTION

Economic Reforms in India commenced during the year 1985 after Rajiv Gandhi took over as Prime Minister. The Prime Minister in his first national broadcast said: The public sector has entered into too many

areas where it should not be. We shall open the economy to the private sector in several areas hither to restrict to it." Consequently, a number of measures were taken to remove controls, open areas to private sector players. This may be described as the first phase of liberalisation. Some of the measures initiated by his government were:

- Cement was decontrolled and a number of licenses were issued to private sector units to produce cement.

- The share of free sale sugar was increased to help the sugar industry.

- The ceiling on asset limit of big business houses was raised from Rs. 20 crores to Rs. 100 crores.

- 94 drugs were delicensed and brought out of the purview of the MRTP Act.

- Electronics industry was freed from the restrictions of the MRTP Act. Foreign firms were welcomed in this area.

- A Scheme of broad banding was introduced. This implies that within the overall capacity, firms were free to produce a range of commodities.

For instance, in lieu of the license to produce up to 350 c.c. engines capacity, firms were allowed to produce two- wheelers of any type – scooter; motorcycles, mopeds etc. The process of broadbanding was extended to 25 categories of industries. These industries included four- wheelers, chemicals, pharmaceuticals, petro- chemicals, and typewriter of all types- manual and electronic. The industrialists were not required to take a license of each and every item in a group, but were entitled to the production of a range of products within a group.

However, Rajiv Gandhi did not take a very strong and categorical position on the issue of privatisation and globalisation, though some liberalisation of the economy did take place. It was only when P.V. Narsimha Rao took over as Prime Minister in 1991 that a new industrial policy was announced which marked a sharp departure from the earlier policy of 1956. An unprecedented balance of payments crisis emerged in early 1991. The current account deficit doubled from an annual average of $2.3 billion or 1.3 percent of GDP

during the first half of the 1990s, to an annual average of $5.5 billion or 2.2 percent of GDP during the second half of the 1990s. For the first time in modern history, India was faced with the prospect of defaulting on external commitments since the foreign currency reserves had fallen to a mere $1 billion by mid-1991. The balance of payments came under severe strain from one liquidity crisis experienced in mid-January 1991 and another in late June 1991.

There were three aims of Economic policy:

- Liberalisation
- Globalisation
- Privatisation.

8.2 ECONOMIC LIBERALIZATION IN ADMINISTRATION

The main aim of the liberalisation was to dismantle the excessive regulatory framework that curtailed the freedom of enterprise. Over the years, the country had developed a system of "licence–permit raj'. The aim of the new economic policy was to save the entrepreneurs from unnecessary harassment of seeking permission from Babudom (the bureaucracy of the country) to start an undertaking. Similarly, the big business houses were unable to start new enterprises because the Monopolies and Restrictive Trade Practices (MRTP) Act had prescribed a ceiling on asset ownership to the extent of Rs.100 crores. In case a business house had assets of more than Rs.100 crores, its application after scrutiny by the MRTP Commission was rejected. It was believed that on account of the rise in prices this limit had become outdated and needed a review. The second objection by the private sector lobby was that it prevented big industrial houses from investing in heavy industry and infrastructure, which required lump sum investment. In order that the big business could be enthused to enter the core sectors- heavy industry, infrastructure, petrochemicals, electronics etc., with big projects, the irrelevance of MRTP limit was recognized and hence scrapped. The major purpose of liberalisation was to free the large private corporate sector from bureaucratic controls. It, therefore, started dismantling the regime of industrial licensing and controls. In pursuance of this policy,

the industrial policy of 1991 abolished industrial licensing for all projects except for a short set of 18 industrilization.

On April 14, 1993, the Cabinet Committee on Economic Affairs decided to remove three more items from the list of 18 industries reserved for compulsory licensing. The three items were; motor cars, white goods (which include refrigerators, washing machines, air-conditioners, microwave ovens etc.) and raw hides and skins and patent leather. In the case of cars and white goods, the basic purpose of dereservation was to increase investment in industries in procuring cars and white goods so that the demand of the large middle class ranging from 250 to 300 million can be satisfied. These commodities are no longer considered as luxury goods, but are considered domestic gadgets to reduce the drudgery of domestic work. Liberalising the automotive sector led to better designs in two wheelers, unleashing the urge to compete in global markets and widening the domestic markets through better quality and standards. It should be of interest to know that a car has 20000 components— all manufactured in the small industry sector. The automotive component manufacturing in the small-scale sector suddenly started looking up and by the turn of the decade of reforms, the component manufacturing captured global markets. The government, in response to the market demand, liberalized the industries producing these goods and freed them from industrial licensing. Therefore, liberalization led to globalization. The abolition of licensing for raw hides and skins and patent leather is motivated by the desire to push up exports. Since the potential for leather and good quality shoe exports is very large, the government decided to abolish licensing so that large-scale units could realize this potential by the use of modern technology.

The List of Industries in which Industrial Licensing is Compulsory:

1. Coal and Lignite
2. Petroleum (other than crude) and its distillation products
3. Distillation and brewing of alcoholic drinks
4. Sugar
5. Animal fats and oils

6. Cigars and Cigarettes of tobacco and manufactured tobacco substitutes

7. Asbestos and asbestos-based products

8. Plywood, decorative veneers and other wood based products

9. Raw hides and skins, leather, chamois leather and patent leather

10. Tanned or dressed foreskins

11. Paper and newsprint except bagasse-based units

12. Aerospace and defense equipment: all types

13. Industrial explosives

14. Hazardous chemicals

15. Drugs and pharmaceuticals

This long list also got truncated to six by 1999.

8.3 GLOBALISATION AND ITS IMPACT ON ADMINISTRATION

Globalisation is primarily economic phenomenon, involving the increasing interaction, or integration, of national economic systems through the growth in international trade, investment and capital flows. A rapid increase in cross border social, cultural and technological exchange is part of the phenomenon of globalization.

Globalisation intends to integrate the Indian economy with the world economy. Globalisation is considered to be an important element in the reforms package. It has four parameters:

(i) Reduction of trade barriers so as to permit free flow of capital and services across national frontiers;

(ii) Creation of an environment in which free flow of capital can take place;

(iii) Creation of an environment permitting free flow of technology among nation-states; and

(iv) Creation of an environment in which free movement of labour can take place in different countries of the world.

The advocates of globalisation, especially from the developed countries, limit the definition of globalisation to only three components viz.,

unhindered trade flows, capital flows and technology flows. They insist that the developing countries accept their definition of globalisation and conduct the debate on globalisation within the boundaries set by them. But several economists and social thinkers in developing countries believe that this definition is incomplete. If the ultimate aim of the globalization movement is to integrate the world into one global village, then the fourth component of unrestricted movement of labour cannot be left out. But whether the debate about globalisation is carried out at the World Trade Organisation (WTO) or at any other international forum, there is a deliberate effort to black out 'labour flows' as an essential component of globalisation. To pursue the objective of globalisation, the following measures have been taking:

(i) Reduction of import duties:

There has been a considerable reduction in import duties. A reduction in import duties and the extension of MODVAT credit on taxes paid on inputs have been important measures for improving efficiency of the tax system. By 1990 import duties were 300 percent or more for several items and above 200 percent for many items. Peak rates were progressively reduced during the 1990s to reach 35 percent in 2001- 02. The median tariff rate was brought down to 25 percent in the 2003-04 budgets. It is supposed to come down to 15 percent during 2004-05. Besides this, the government has attempted to rapidly dismantle quantitative restriction on imports and exports. It has also undertaken adjustment of exchange rate so as to remove over-valuation of currency. This has helped in stepping up exports. On the 8th February, 1997 the Commerce Ministry removed restrictions on 162 items for imports. Out of them, 69 items were moved from Special Import License (SIL) to free imports. Among these items are escalators and moving walkways, cable cars, burglar and fire alarms, cameras of all kinds, auto-bank note dispensers, industrial vacuum cleaners and various kinds of glassware. Besides this, 93 items were moved from industrial to SIL (Special Import License) list which included photographic films rubber stoppers, aluminum beverage cans, car air-conditioning machines, cosmetic perfumes, picture tubes below 14 inches and a wide range of office

machines. By April 2001, all the quantitative restrictions on imports were removed. Only a few items have been retained for exports through State Trading enterprises.

(ii) Encouragement of foreign investment:

The government has taken a number of measures to encourage foreign investment. The main measures taken in this regard are:

a) Approval would be given for direct investment upto 51 per cent foreign equity in high priority industries as per Industrial Policy of 1991. There shall be no bottlenecks of any kind in this process. Such clearances will be given if foreign equity covers the foreign exchange requirements for imported capital goods. On the 31st of December, 1996 the Cabinet gave its assent to a new list of industries whereby joint ventures with up to 74 per cent foreign equity would be cleared automatically. Among the industries listed for the purpose are: Mining services such as oil and gas fields services., basic metals and alloy industries, other manufacturing industries related to the items based on solar energy like solar cells, cookers, air and water heating systems, small hydro-equipment, construction and maintenance of roads, bridges, tunnels, pipelines, ropeways, ports, harbours and runways, electric generation and transmission and other infrastructure. The basic purpose of this move is to facilitate direct foreign investment in India.

b) To provide access to international markets, majority foreign equity holding up to 51% equity would be allowed for trading companies primarily engaged in export activities.

iii) Encouragement to foreign technology agreement:

The Industrial Policy of 1991 undertook the following measures:

a) Automatic permission will be given for foreign technology agreements in high priority industries up to a lump sum payment of Rs.1crore, 5% royalty for domestic sales and 8% for exports, subject to total payments

of 8% sales over a 10 year period from the date of the agreement or 7 years from commencement of production.

b) In respect of other industries, automatic permission would be given if no free foreign exchange were required for any payments.

c) No permission will be necessary for hiring of foreign technicians and foreign testing of indigenously developed technologies.

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. What is liberalisation? Discuss the principal measures initiated by the government to liberalise the Indian economy.

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2. What are the four aspects of globalisation?

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8.4 PRIVATIZATION

Privatisation deals with the transfer of businesses from the state to the private sector. This commonly involves complex contractual structures to be put in place, and the industries concerned are usually closely regulated. Privatisation in narrow sense indicates transfer of ownership of a public sector undertaking to private sector, either wholly or partially. But in another sense, it implies the opening up of the private sector to areas, which were hitherto reserved for public sector. Such deliberate encouragement of investment to the private sector in the economy will over a period of time increase the overall share of the private sector in the economy. This is the broader view in which privatisation of the economy can be effected. The basic purpose is to limit the areas of the public sector and to extend the areas of private sector operation including

heavy industries and infrastructure. Privatisation is, therefore, a process of involving the private sector in the ownership or operation of a state owned or public sector undertaking. It can take three forms:

(i)   Ownership measures;

(ii)   Organisational measures; and

(iii)   Operational measures.

(i)   **Ownership measures**:

The degree of privatisation is judged by the extent of ownership transferred from the public enterprises to the private sector. Ownership may be transferred to an individual, co-operative or corporate sector. This can have three forms:

a) Total decentralization implies 100 per cent transfer of ownership of a public enterprise to private sector.

b) Joint Venture implies partial transfer of a public enterprise to the private sector. It can have several variants – 25% transfer to private sector in a joint venture implies that majority ownership and control remains with the public sector. 51% transfer of ownership to the private sector shifts the balance in favour of the private sector, though the public sector retains a substantial stake in the undertaking. 74% transfer of ownership to the private sector implies a dominant share being transferred to private sector. In such a situation, the private sector is in a better position to change the character of an enterprise.

c) Liquidation implies the sale of assets to a person who may use them for the same purpose or some other purpose. This solely depends on the preference of the buyer.

d) Workers' co-operative is a special form of decentralization. In this form, ownership of the enterprise is transferred to workers who may form a cooperative to run the enterprise. In such a situation, appropriate provision of bank loans is made to enable workers to buy the shares of the enterprise. The burden of running the enterprise

rests on the workers in a workers' Co-operative. The workers become entitled to ownership dividend besides getting wages for their services.

(ii) **Organizational measures**

It includes a variety of measures to a limited state control.

They include:

a) A holding company may be designed to taking top-level major decisions with sufficient degree of autonomy for the operating companies in its hold in their day-to- day operations. A big company like the Oil & Natural Gas Commission (ONGC), Steel Authority of India (SAIL) or Bharat Heavy Electricals Limited (BHEL) may acquire a holding status, thereby transferring a number of functions to its smaller units. In this way, a decentralized pattern of management emerges.

b) Leasing: In this arrangement, the government agrees to transfer the use of assets of a public enterprise to a private bidder for a specified period, say of 5 years. While entering into a lease, the bidder is required to give an assurance of the quantum of profits that would be made available to the state. This is a kind of tenure ownership. The government reserves the right to review the lease to the same person or to grant the lease to another bidder depending upon the circumstances of the case.

c) **Restructuring is of two types:**

Financial restructuring and basic restructuring on the basis of this two:

(1) Financial restructuring implies the writing off of accumulated losses and rationalization of capital composition in respect of debt-equity ratio. The main purpose of this restructuring is to improve the financial health of the enterprise.

(2) Basic restructuring is said to occur when the public enterprise decides to shed some of its activities to be taken up by ancillaries or small-scale units.

(iii) **Operational measures:**

The efficiency of public sector enterprises depends upon the organisational structure. Unless this structure grants a sufficient degree of autonomy to the operators of the enterprise or develop a system of incentives, it cannot raise its efficiency and productivity. These measures include:

(a) grant of autonomy to public enterprises in decision making,

(b) provision of incentives for workers and executives consistent with increase in efficiency and productivity,

(c) freedom to acquire certain inputs from the markets with a view to reducing costs,

(d) development of proper criteria for the investment planning, and

(e) permission to public enterprise to raise resources from the capital market to execute plan of diversification/expansion. The basic purpose of operational measures is to infuse the spirit of private enterprise.

8.5 INTER-RELATION: LIBERALISATION, GLOBALISATION AND PRIVATIZATION

Liberalisation, globalisation and privatisation are all means to achieve certain ends of the society, just as nationalization and regulatory frame work were intended to achieve certain goals. These are:

1. To achieve high rate of growth of national and per capita income;

2. To achieve full employment;

3. To achieve self-reliance;

4. To reduce the inequality of income and wealth;

5. To reduce the number of people living below the poverty line;

6. To develop a pattern of society based on equality and absence of exploitation.

It is true that the operation of the public sector and the regulatory framework resulted in certain problems as we notice in detail in the next unit. Let us summarise these problems:

- The excessive development of bureaucratic controls began to act as shackles on growth;

- Overstaffing in public sector enterprises leads to an increase in cost of operation;

- Low rate of return on investment in public sector;

- Poor work ethic in public sector enterprises due to excessive job security and absence of incentives for better work;

- Entry of public sector in areas of consumer goods for which it was never meant. Thus, this unnecessary expansion resulted in absence of focus and dilution in the quality of management;

- Some public sector enterprises were incurring losses year-after year and as such had become a burden on the ex-chequer, instead of being an asset to the nation.

The measures have been undertaken, whether under liberalisation, globalisation or, privatisation are all designed to rectify these problems so that working of the economy becomes more efficient and the rate of growth of the economy improves. Higher rate of growth, it is felt, is the remedy to improve the level of employment, to reduce poverty and to assure a better living standard to the people. It would, therefore be necessary to review economic reforms and study their impact during the last 5 years

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. What is the aspect of privatization in Indian Administration?

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2. Liberalisation, globalisation and privatisation are the means to achieve certain ends by the society. In the light of this statement, list five major goals/ends which these instruments are intended to achieve.

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8.6 REVIEW OF ECONOMIC REFORMS RELATED TO LIBERALISATION, GLOBALISATION AND PRIVATISATION

The advocates of the reforms process claim a number of achievements. Critics of reforms have drawn attention to various aspects of reform. However, there seems to be a general agreement among all political parties that the reforms are a historical necessity and it would not be possible to reverse the reform process. Even the left parties, after the collapse of Soviet Union, have veered round the view that reforms in the form of liberalisation, privatisation and globalisation will have to be undertaken. The focus of the debate is to ensure that whereas the reform process has helped to accelerate the growth, the benefits of the growth have not percolated to poor and weaker section of the society. It would, therefore, be desirable to consider the various arguments so as to understand the manner in which the measures taken need to be modified so as to achieve the objective of growth with the social justice. The Common Minimum Programme of the Congress-led united front in 2004-05 resolved to restrict privatization only to the loss making enterprises. There would be no further shedding of public sector enterprises that are being run profitably as was done by the National Democratic Alliance led by the Bharatiya Janata Party. Accordingly, the erstwhile independent Ministry of Disinvestment was converted to one department in the Ministry of Finance with the Union Government.

Table 8.1. Growth Rate of Gross Domestic Product

Year	Growth Rate (at 1993-94 prices)
1997-98	4.8%
1998-99	6.5%
1999-00	6.1%
2000-01	4.0%
2001-02	5.4%
2002-03	6.2%

Higher Growth Rate achieved:

The average growth rate of over 6 per cent during the last 10 years (1992-93 to 2002-03) is an achievement of the reform process. This would result in an average 4 per cent growth rate of per capita GDP. This is an achievement, which has not been witnessed earlier during the last 50 years of planning.

Control of Inflation:

The first four years of the 1990s registered double-digit inflation based on the wholesale price index, (WPI) with a 13.6 percent peak reached in 1992-93 (Table 19.2). High fiscal deficits, devaluation of the rupee, periodical increases in administered prices (especially in official procurement and issue prices of food grains), weather conditions, shortages of some commodities of common consumption, and large money creation due to acquisition of foreign currency reserves contributed, in varying degrees, and at different points of time, to the relatively higher inflation in the first half of the 1990s. However, from 1995-96 onwards, there has been a continuous deceleration and the average inflation for the period 1996-97 to 2000-01 is by far the lowest since the mid-1950s in terms of the 52-week average. The point-to-point average inflation rate for this period is the lowest since the early 1960s. The developments in the economy since 1996 have been conducive to a decline in the inflation rate. Importantly, on the demand side, there has been a noteworthy change in the source of reserve money creation. Over the decades, monetization of the budgetary deficits by the Reserve Bank of India (RBI) had accounted for a predominant part of reserve money

creation and the resultant growth, often excessive, in money supply. Since 1996-97, monetization of the budget deficit has declined sharply.

During 1993 and 1994, primary liquidity was created mainly in the process of the RBI accumulating foreign currency reserves due to large inflows of foreign investment. With interest rates rising in most industrial economies, the impact of the Mexican crisis and the steps taken by the government of India to regulate the recourse of Indian industry to foreign financial markets, these inflows moderated. As government's borrowing is still very high and demand for commercial credit expected to pick-up pace, satisfying both the government and enterprise sectors will pose a difficult challenge to the monetary authorities who would like to restrain money growth to keep inflation under check.

However, as pressures for reserve money creation come down, the RBI should be in a better position to balance the objectives of economic growth and moderation in prices. Satisfactory production of both food and non-food crops should keep the inflationary expectations subdued. Supply side management would be facilitated by large food stocks of 58 million tonnes as of January 2002 and high foreign exchange reserves of US$119bn as at the beginning of June 2004. Releases of food stocks into the open market and through the public distribution system should keep cereal prices under check. The public stocks can also be used for food-for-work programs. Commodities such as sugar, edible oils and cotton, which were in short supply in the mid-1990s, have already been placed on the open general license and are thus freely importable. The record of the measures to control inflation has been mixed. During 1992-93, wholesale price index (WPI 1981-82 =100 rose by merely 7 per cent as against the price increase by 13.7 per cent during 1991-92. but the situation again took a turn for the worse during 1993-94 and 1994-95, and the WPI rose by 10.8 per cent and 10.4 per cent respectively. Thereafter, due to strong measures taken during 1995-96, the rate of inflation slowed down to 5 per cent.

Table 8.2 Wholesale and Consumer Price Index in India Variation (per cent) : Point to point

Year	Wholesale price index (1993-94 = 100)	Consumer price index of industrial workers (1982=100)	Consumer price index for agricultural labour (1986-87=100)
1998-99	5.3	8.9	8.8
1999-00	6.5	4.8	3.4
2000-01	5.5	2.5	-2.0
2001-02	1.6	5.2	3.0
2002-03	6.5	4.1	4.9
2003-04	4.5	3.5	2.5

Source: Economic and Political Weekly 13-19 March 2004.

However, the impact of inflation on the common man is measured by the consumer price index (CPI). Comparable figures of rise of CPI for industrial workers during the last 5 years reveal that CPI for industrial workers has been rising more or less in the range of about 10 per cent per annum. Similarly the Consumer Price Index for Agricultural Labourers (CPIAL), which is a more comprehensive index to measure the welfare of rural workers, which has shown an average rise of over 10 per cent during the four years 1991-95, started down-town on a sustainable basis. This has proved the strength of

reform process in at least one area. Consequently, the real incomes in the hands of the poor in 2003-04 were higher than in the initial years. This has serious welfare implications.

Reform of the Public Sector:

The major aim of economic reforms is to improve the public sector so that the rate of return improves. To remedy the situation, it was necessary that over-staffing of the public sector undertakings (PSUs) be reduced. The government has already taken steps in this direction by its voluntary retirement scheme (VRS). For this purpose, the government set up the National Renewal Fund (NRF) to provide compensation for voluntary retirement and also arrange for retraining and redeployment of workers. In 1990-91, there were 22.19 lakhs employees in PSUs of the Central Government, but in 1994-95 their number has been reduced to 20.41

lakhs. This implies that, as a result of the VRS, overstaffing has been reduced by 1.78 lakhs. In other words, employees strength has been reduced by 8 per cent. Under the NRF, an amount of Rs.542 crores was provided in 1993-94 and Rs. 261 crores in 1994-95. But a major complaint about the working of the NRF is that the entire amount has been used for providing compensation for voluntary retirement scheme (VRS) and the function of retraining and redeployment of workers has been neglected. Whenever the government tried to privatize any public sector undertaking, the opposition to the movement was so strong that the government did not succeed. The government under the provisions of Sick Industrial Companies Act (SICA) referred the cases of sick PSUs to the Bureau for Industrial and Financial Reconstruction (BIFR). Upto 31st March 1995, 53 Central sick public sector undertakings were registered with BIFR. The BIFR has taken a decision for the revival of Indian Drugs and Pharmaceuticals Ltd., Orissa Drugs and Chemicals Ltd., Smith Stanistreet and Pharmaceuticals Ltd. Bharat Brakes and Valves Ltd., Biecco Lawrie Ltd, and Bengal Immunity Ltd. It has also decided to wind up some PSUs. They are: National Bicycles Corporation of India Ltd., Elgin Mill Co. Ltd., British Indian Corporation Ltd., Cawnpore Textile Ltd and Tannery and Footwear Corporation Ltd. The cases of other registered Public Sector Enterprises are under enquiry. But BIFR did not by and large result in any significant rehabilitation. The government has also decided to sign Memoranda of Understanding (MOU's) with various public sector enterprises. The main goal of the MOU policy is to reduce the 'quality of control' and increase the 'quality of accountability.' The MOU's grant greater operational autonomy of PSU's to pursue their objectives. Out of the 99 PSE's which signed the MOU with their administrative ministries, 46 were rated as "Excellent" and 28 as "very good". The net result of the efforts of the government was that the overall net profit earned by Central PSE's increased from Rs. 4,545 crores to Rs. 7, 217 crores which signifies as increase of 58.8 per cent over the previous year. This is a welcome development.

Another step taken by the government was disinvestment of PSUs. The government has been offering equity of 31selected public sector

enterprises varying from 5 to 20% to mutual funds and financial institutions. This is only a token of privatisation and the government was able to raise Rs.9,793 crores during the four year period (1991-92 to 1994-95). However, the disinvestment programme did not pick up during 1995-96 and 1996-97, despite the fact that the government has been making a provision of Rs. 5,000 crores every year in the budget. Between 1991-92 and 2001-02, the disinvestment proceeds have totalled Rupees 253 billion out of a targeted Rupees 660 billion. During 2002-03, the government has listed strategic sales of oil refiners BPCL and HPCL, petrochemical firm IPCL, Shipping Corporation of India, carmaker Maruti and National Aluminum Company as a few of its big ticket sell-offs. Critics describe the disinvestments as deficit privatization, because the proceeds of the disinvestments are being used to reduce the budget deficit. The Common Minimum Programme of the United Progressive Alliance Government stipulated that the proceeds of the disinvestments would be used in the two vital areas – health, and education.

A part of the proceeds of the disinvestment will be earmarked to create an investment fund, which will be used to strengthen other public sector enterprises. On the whole the reforms of PSUs, including privatisation and phasing out of the unviable units have not gathered as much momentum as had been hoped for. Disinvestment has been piecemeal and the funds so raised are being used to reduce the budget deficit, rather than strengthening the PSUs. Along with this, labour problem, political and bureaucratic interference have not been effectively reduced. Since it is not possible to privatize a large component of the public sector, it would be advisable to reform it.

Large dose of foreign capital to help Indian economy

The reforms process especially its emphasis on globalisation, was intended to help the acceleration of the growth process by attracting a larger dose of the foreign Capital. As a result of these and other measures, real private fixed investment rose to 16.8 per cent of GDP in 1997-98 from 10.7 percent in 1980-81 and 12.71 percent in 1990-91. India, for the first time, was one of the top ten emerging market

destinations for FDI (excluding developed countries). The point that needs to be emphasized, however, is that direct foreign investment is less than one-third Non-Residence total foreign investment. If adjustment is made for the contribution of Non-resident Indians in FDI to the tune of 10.4 per cent; the net contribution of foreigners in FDI flows becomes 21.1 per cent (nearly one-fifth of the total). It need not be mentioned that portfolio investment is of a speculative nature and can take flight in a period of political uncertainty. Moreover, critics point out that nearly 39 per cent of the foreign investment is in the non-priority sector, viz. food-processing, service sector, hotels, and tourism,. The entry of multinationals in consumer goods like, colas, jams, potato chips, wafers, ice creams, etc. only displaces Indian labour and capital employed in the production of these commodities. The multinationals are keen to enter these areas of short gestation period and very high profitability. The critics, therefore, point out that while foreign investment and technology are needed, the government should be more selective by obtaining these for the capital goods and infrastructure sectors so that they enhance both the capacity and capability of the Indian economy.

Table 8.3 : Data on Trade balance during the post-reform period. (in US $ million)

	97-98	98-99	99-00	00-01	01-02	02-03	03-04
Exports	35006	33219	36822	44560	43827	52719	47503
Imports	41484	42389	49671	50536	51413	61412	61933
Trade balance	-6478	-9170	-12848	-5976	-7587	-8693	-14431

Source : Economic and Political Weekly 13-19 March 2004.

Reform process and the foreign trade scenario:

The reform process has led to growth of exports; but simultaneously it has also led to a larger growth of imports. As a consequence, the trade gap has not been reduced. Globalisation has failed to reduce the trade gap, more so if we take into account total imports, including defense imports, as indicated by the RBI. This would seem to indicate the need to re-examine the open door policy of imports as also to boost exports.

Reform process and fiscal deficit:

A major objective of the structural adjustment programme was to reduce the fiscal deficit. No doubt the government was able to reduce fiscal deficit as a proportion of GDP from 8.3 per cent in 1990-91 to 5.7 percent in 1993-94. It was brought down to 6.1 per cent in 1994-95 and 5.8 per cent in 1995-96. Fiscal deficit seemed to have only worsened subsequently due to the burden of wage revisions in the government and public sectors. Although the need of the hour is to reduce subsidies, both explicit and implicit, so that a more sustainable effect on fiscal deficit can be made, the Common Minimum Programme would seem to indicate the unlikelihood of improvement in this area.

Table 8.4: Exchange rate of rupee Vis-à-vis US Dollar

Year	Rs. Per US $
1990-91	17.94
1991-92	24.47
1992-93	30.65
1993-94	31.37
1994-95	31.40
1995-96	33.45
1996-97	35.50
1997-98	37.16
1998-99	42.07
1999-00	43.33
2000-01	45.68
2001-02	47.69
2002-03	48.46
2003-04	46.02

Source: Reserve Bank of India Bulletin

Reform process and the exchange value of the Rupee:

The Exchange Rate of the Rupee vis-à-vis US $ was Rs. 17.96 in 1990-91, but gradually the exchange rate has been appreciating and it became 1 US $ = Rs. 31.37 in 1994-95 and Rs. 35.6 per US $ in 1996-97. In other words, the international value of the Rupee has become nearly half its level of 1990-91. The fall in the value of the Rupee results in an increase in the burden of international debt. Secondly, it adversely affects the foreign investor's confidence in India. RBI has substantially reduced its intervention stabilization of the Rupee vs US$ and fully liberalized the current account operations. This led to strengthening of the Rupee

against the US$ significantly during the years 2002-04. The reform process that led to strengthening of the Rupee is now threatening exporters with eroded cash margins.

Economic Reform and India's Foreign Exchange Reserves:

The advocates of globalisation claim that as a result of the reform process, foreign exchange reserves which had fallen to the level of US $ 2.2 billion started picking up and were around US $ 20.8 billion in 1994-95, but due to sharp deficit in balance of payments on current account in 1995-96, the reserves came down to US $ 17 billion. As at the beginning of June 2004, the reserves moved to a new high of US$119bn due to liberalization of FDI and FIIs and free flow of NRI funds reflecting the investors' confidence in India.

Table 8.5: Balance of Payments of Current Account and Foreign Exchange Reserves (excluding Gold) (in US $ million)

Year	Balance of Payments on Current Account	Foreign Exchange Reserves
1990-91	-9,438	2,236
1993-94	-4,056	15,068
1994-95	-9,049	20,809
1995-96	-11,359	17,044
1996-97	-14,815	22,367
1997-98	-15,507	25,975
1998-99	-13,246	29,522
1999-00	-17,098	31,992

Source: Reserve Bank of India Bulletin

To conclude it may be said that policies of liberalisation, globalisation and privatisation which symbolize economic reforms have concentrated on shortterm objectives such as controlling the deteriorating situation in balance of payments, building up foreign exchange reserves, reducing fiscal deficit, controlling inflation etc., However, the long-term goals of reducing poverty, achievement of full-employment, self-reliance and growth with social justice have remained unattended. The reform process has not yet succeeded in reducing the fiscal deficit. Naturally, there is a need to re-orient economic reforms so as to achieve long-term goals of

the society, more especially full employment, self-reliance and growth with social justice.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. Review the impact of economic reforms in India brining out their achievement and failures.

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8.7 LET US SUM UP

Economic Reforms were introduced by Shri Rajiv Gandhi soon after taking over as Prime Minister in 1985. He underlined the need for opening several areas hitherto reserved for the public sector to the private sector. Some measures of delicensing, raising the MRTP limit from Rs. 20 crores to Rs. 100 crores, broad-banding scheme etc., were taken, but the government did not take a categorical position on issues relating to privatisation and globalisation. A sharp departure from the Industrial Policy of 1956 took place with the announcement of Industrial Policy 1991. Three major strategies of new economic policy are:

(i)   Liberalisation,

(ii)   Globalisation and

(iii)   Privatisation.

The main aim of liberalisation was to dismantle excessive regulatory framework and bureaucratic controls that acted as shackles on freedom of enterprise. The ceiling on assets fixed under MRTP Act has been abolished in order to permit large houses to undertake investment in the core sectors – heavy industry, infrastructure, petro-chemicals, electronics etc., with a view to introduce competition. The number of items requiring licensing was reduced to a short list of bare 4 industries. This freed the private sector to set up industrial units quickly. Commission in the place of MRTP, Competition Policy was framed. But the Competition Bill has

not been introduced. This is likely to hit a road block with the influence of the Leftist forces in the government.

Globalisation intends to integrate the Indian Economy with the world economy. Four parameters to globalisation are:

(i)   Trade flows.

(ii)   Capital flows,

(iii) Technology flows and

(iv)   Labour flows.

If the developed countries were to restrict the definition to only three and omit labour flows, globalisation will remain incomplete. Measures promoting globalisation in India include:

(i)   Reduction of import duties

(ii)   Encouragement of foreign investment through

a) Grant of automatic approval for direct foreign investment upto 51 per cent equity participation. (In December 1996, the government announced a new list of industries whereby joint ventures upto 74 per cent foreign equity would be cleared automatically).

b) Majority foreign equity holding upto 51 per cent allowed in trading companies.

(iii) Encouragement of foreign technology agreements within prescribed limit of payments in foreign exchange. Privatisation is the process involving the private sector in the ownership or operation of a state-owned undertaking. It has three forms:

(i) Ownership measures include:

(a) Total denationalization,

(b) Joint Ventures,

(c) Liquidation and

(d) Worker's co-operatives

(ii) Organisational measures include:

a) A holding company structure,

b) Leasing,

       c) Restructuring – either financial restructuring or basic restructuring, or both

(iii) Operational measures are aimed at improving the efficiency and productivity of an organisation. They include:

       c) Grant of autonomy in decision-making

       d) Provision of incentives for workers and executives

       e) Freedom to acquire certain inputs from the market

       f) Development of proper criteria for investment planning

       g) Permitting public enterprises to raise resources from the capital market. The basic purpose is to infuse the spirit of private enterprise in PSUs.

Privatisation in a broader sense implies encouragement of investment by private sector in areas hitherto reserved for the public sector so that the overall share of private investment sector improves in the economy in the long run. Liberalisation, globalisation and privatisation are intended to achieve certain long-term goals of society. These goals are:

    (i)   higher growth of national and per capita income,

    (ii)   full – employment,

    (iii)   self-reliance,

    (iv)   reduction of inequalities of income and wealth,

    (v)   reduction of population, below the poverty line.

In nutshell these measures aim at creating a society based on growth with social justice. Some of the problems associated with the public sector are:

    (i)   Excessive bureaucratic controls,

    (ii)   Overstaffing,

    (iii)   Low rate of return,

    (iv)   some enterprises incurring losses year–after–year.

Review of Economic Reforms related to liberalisation, globalisation and privatization

A near unanimity among political circles – from the left to the right – has been achieved on the need for economic reforms. The need is to identify measures to modify reforms so as to achieve the objective of growth with social justice.

8.8 KEY WORDS

Basic Restructuring implies the shedding by a public enterprise of some of its activities which are taken up by ancillaries or small scale units.

Director General of Commercial Intelligence and Statistics is the organisation which keeps a complete record of the volume and value of imports made in India, either on government or private account.

Financial Restructuring implies the writing off of accumulated losses and rationalization of capital composition of an enterprise in respect of debt equity ratio.

Fiscal Deficit indicates the excess of total expenditure of the government over its total receipts (net of borrowing).

Globalisation is the process of integrating an economy with the world economy. Globalisation involves unhindered trade flows, capital flows, technology flows and, in an ultimate sense, unhindered labour flows among nation states.

Leasing implies the transfer of the right to use an asset to a person or company for a specified period.

Liberalisation is the process of freeing the economy from the stranglehold of unnecessary bureaucratic and other restrictions imposed by the state.

Liquidation implies the sale of assets to a person who may use them for the same purpose or some other purpose (s) depending upon the preference of the buyer.

Memorandum of Understanding (MoU) is the agreement made between the government and the public enterprise management, which grants greater autonomy for decision–making but simultaneously seeks a higher quality of accountability in return. MoU is signed for a specified period.

National Renewal Fund (NRF) is the fund created by the government to provide compensatory benefits to employees seeking voluntary retirement or rendered unemployed due to rationalization of labour. The fund is also expected to arrange for retraining and redeployment of retrenched labour.

Privatisation is the process of transfer of ownership or operation of a stateowned unit (public sector enterprise) either wholly or partially.

Voluntary Retirement Scheme (VRS) gives the option to an employee to seek retirement voluntarily and avail of the compensatory benefits provided by the government.

Workers' Co-Operative is the form of ownership of an enterprise in which the entire equity is transferred to the workers. The ownership and operation of the enterprise is the responsibility of workers.

8.9   QUESTIONS FOR REVIEW

1. What is liberalisation? Discuss the principal measures initiated by the government to liberalise the Indian economy.

2. What are the four aspects of globalisation? In what aspects have steps been taken to globalise the Indian economy and what is the particular aspect which has remained neglected?

3. List three major measures taken for integrating Indian economy with the world economy.

4. What are the different forms of ownership privatisation? Explain each of them to bring out their essential characteristics.

5. Discuss the various organisational measures which promote privatisation.

6. Distinguish between financial restructuring and basic restructuring.

7. Liberalisation, globalisation and privatisation are the means to achieve certain ends by the society. In the light of this statement, list five major goals/ends which these instruments are intended to achieve.

8. Review the impact of economic reforms in India brining out their achievement and failures.

9. Is the reforms process reversible? If not, what measures would you suggest to modify reforms so that the country achieves the goal of growth with social justice?

8.10 SUGGESTED READINGS AND REFERENCES

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8.11 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1) See Section 8.2

2) See Section 8.3

Check Your Progress 2

1) See Section 8.4

2) See Section 8.5

Check Your Progress 3

1) See Section 8.6

UNIT 9: SOCIAL SECURITY IN INDIA & CWSB

STRUCTURE

9.0 OBJECTIVES

After this unit, we can able to understand:

- To know about the Social Security

- To discuss the Social Welfare Administration

- To describe the Features of Social Welfare Administration.

9.1 INTRODUCTION

The first major social security platform in Southeast Asia came into process in India on February 24, 1952. The program, which was initiated on a limited basis, will cover about 2.5 million factory employees when

it comes into action throughout the major industrial centers by January 1955. The Employees' State Insurance Act, which established the program, provides for medical services, continuing cash benefits due to employment injury or death, cash sickness benefits during periods of wage loss, and cash maternity benefits. In addition, legislation providing for a separate system of old-age and survivors savings benefits was enacted in 1952. This program, initiated by the Employees' Provident Funds Act, provides for the establishment on a compulsory basis of company (savings) plans in certain productions. It applies to about 1.6 million employees. India, the second most populous country in the world and the eighth most important industrial nation, thus becomes another of the major countries to put into operation a social security system. Although the coverage of the system is limited, protection is afforded against a number of risks.

In early times, social welfare functions were performed by a few individual entities or groups of individuals motivated by compassion and concern for the poor, the needy and the deprived. These people were laymen, personified with the qualities of humanism and altruistic service to the communal. But in modern times, most of the countries have adopted the concept of a welfare state instead of a police state. The Encyclopedia of Social Sciences describes a welfare state as a state which takes up the accountability to provide a minimum average of survival to its citizens. Prof. Kent remarked that by a welfare state we mean a state which provides widespread services to the people. Thus, in a well-being state, the administration enters into economic, political, social and educational life of individuals. And it provides services to individuals, right from an individual's birth to death. The state is to serve the old, sick, orphans, widows, helpless, oppressed and the disabled people whenever they are in need of services. In the context of the present day social problems, the size of welfare services provided by an increasingly large number of organizations make government very important. Social welfare services, schemes, projects and programs, are becoming increasingly complex. Since it is no longer accepted that any normally intelligent person with good intentions can administer the welfare work, a sound administration is vital. It is increasingly realized

that social welfare programs require qualified and trained social welfare personnel to perform social welfare functions efficiently. So it is argued that for serving the people effectively it is necessary to professionalize, as professionalization can increase the ability of social welfare personnel to solve the pressing social problems confronting our society.

Administration

Before deliberating the meaning of social welfare management, it is essential to know the meaning of the term administration. Administration is a willing human effort towards achieving some common goals. Thus every group activity involves administration, whether in a family, factory, hospital, university, or a administration department. Whenever two or more people cooperate in view of doing a thing that cannot be taken up alone, the concept of direction appear. The word administration has been derived from the Latin words 'ad' and 'ministrate' which means to serve. In simple language, it means the 'management of affairs' or 'looking after the people'. To administer is to manage, direct and serve. L.D. White (1948) views that "the art of administration is the direction, harmonization and control of many persons to achieve some purpose or objective." E.A. Nigro (1951) defines "administration as the organisation and use of men and resources to accomplish a purpose." According to Herbert A. Simon (1960) "In its broadest sense, administration can be defined as the activities of groups co-operative to accomplish common goals."

Pfiffner defines "administration as the organization and direction of human and material resources to achieve desired ends." Thus, it is clear from above definitions that administration is concerned with proper organization of men and material to achieve desired ends. It consists of doing the work or getting the work done by others.

Social Administration

To achieve the aims and objectives of social welfare, the government formulates social policies and programmes and in pursuance thereof enacts social legislation, allocates financial assistance and provides

organisational and administrative linkages in the form of ministries and departments. It also seeks the partnership of non-governmental organisations for the effective implementation of various social welfare programs. Administration of all these activities being undertaken in the sphere of social services and social welfare is considered as falling in the realm of social welfare administration. According to Richard M. Titmus, 1948, "Social administration may broadly be defined as the study of social services whose object is the improvement of conditions of life of the individual in the setting of family and group relations." D.V. Donnison, 1961 defines social administration "as the study of development, structure and practices of social services." According to Forder (1974) "Social administration is concerned with study of the welfare system, and particularly the government sponsored social services". Thus, social administration is concerned with the study of welfare system of government's sponsored social services.

9.2 SOCIAL SECURITY

India's social security system is composed of a number of schemes and databases spread throughout a variety of laws and procedures. Keep in mind, however, that the government-controlled social security system in India applies to only a small portion of the population.

Additionally, the social security system in India includes not just an insurance payment of premiums into government funds (like in China), but also lump sum employer obligations.

Generally, India's social security schemes cover the following types of social insurances:

- Pension
- Health Insurance and Medical Benefit
- Disability Benefit
- Maternity Benefit
- Gratuity

While a great deal of the Indian population is in the unorganized sector and may not have an opportunity to participate in each of these schemes,

Indian citizens in the organized sector (which include those employed by foreign investors) and their employers are entitled to coverage under the above schemes.

The applicability of mandatory contributions to social insurances is varied. Some of the social insurances require employer contributions from all companies, some from companies with a minimum of ten or more employees, and some from companies with twenty or more employees.

In this unit, we'll discuss each of these social insurances, along with their coverage, contribution rates, and the laws and regulations behind them.

9.2.1 Pension Or Employees' Provident Fund

The Employees' Provident Fund Organization, under the Ministry of Labor and Employment, ensures superannuation pension and family pension in case of death during service. Presently, only about 35 million out of a labor force of 400 million have access to formal social security in the form of old-age income protection in India. Out of these 35 million, 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military workers, and employees of State Public Sector Undertakings (PSUs).

The schemes under the Employees' Provident Fund Organization apply to businesses with at least 20 employees. Contributions to the Employees' Provident Fund Scheme are obligatory for both the employer and the employee when the employee is earning up to Rs. 15,000 (US$220) per month, and voluntary, when the employee earns more than this amount. If the pay of any employee exceeds this amount, the contribution payable by the employer will be limited to the amount payable on the first Rs. 15,000 (US$220) only.

The Employees' Provident Fund Organization includes three schemes:
- The Employees' Provident Fund Scheme, 1952;

- The Employees' Pension Scheme, 1995; and,
- The Employees' Deposit Linked Insurance Scheme, 1976.
- The Employees' Provident Fund (EPF) Scheme is contributed to by the employer (1.67-3.67 percent) and the employee (10-12 percent).

The Employee Pension Scheme (EPS) is contributed to by the employer (8.33 percent) and the government (1.16 percent), but not the employee.

Finally, the Employees' Deposit Linked Insurance (EDLI) Scheme is contributed to by the employer (0.5 percent) only.

Four main types of pension (all monthly) are offered:

- Pension upon superannuation or disability;
- Widows' pension for death while in service;
- Children's pension; and,
- Orphan's pension.

In addition, there are separate pension funds for civil servants, workers employed in coal mines and tea plantations in the state of Assam, and for seamen.

The Employees' Provident Funds Act, enacted on March 4, 1952 lays down revised provisions replacing those contained in an earlier ordinance promulgated in 1951. The Act is intended to provide lump-sum benefit to the industrial worker when he retires or to his dependents in case of his death. The program is a form of compulsory saving on a company basis. During the course of the consideration of the legislation, the Government indicated it would have been preferable to provide an old-age and survivor's insurance system similar to those in the major industrial countries, but it was not felt that this was possible in India under prevailing conditions. Since a statutory provident fund on a contributory basis had been in existence for about 5 years for approximately 300,000 coal-mine workers, the Government decided to extend this type of program to other industries. As it stands at present, the Act extends to the whole of India, and applies to about 1.6 million workers, or about three-

fourths of all factory employees except those in Government factories. Payment of contributions began on November 1, 1952. The law provides that, at the option of the worker, he may contribute up to 8 percent. For all members of the funds, individual accounts are to be opened: the contribution payments, together with interest assignments, are to be credited to these accounts. The members may normally withdraw the full amount standing to their credit on retirement at age of superannuation, on retirement due to total disability, on migration from India for permanent settlement abroad, and on absence for at least 1 year from employment subject to the Act. Provision is also made for withdrawals for the purpose of paying life insurance premiums. The person or persons who are to receive the amounts standing to the member's credit in case of premature death are to be designated at the outset by the member. Responsibility for operation of the funds is to be vested in a Central Board of Trustees; the Central Government may, in consultation with a State government, constitute for any State a Board of Trustees that would then be responsible for all operations under the Act in that State. Until such time as a State Board is constituted the Central Board may set up a Regional Committee for the State. The appropriate Central or State government is to appoint a Commissioner and a Secretary for each Board or Regional Committee, and provision is made for the employment of staff as required. Provident funds already in existence on November 15, 1951 (the date on which the earlier relevant ordinance was promulgated), are absorbed into the funds established under the Act, unless exemption is obtained. The appropriate government is empowered under the Act to exempt any factory if the rules of its own provident fund provide benefits not less favorable to its employees than the benefits obtainable under the Act.

9.2.2 Health Insurance and Medical Benefit

India has a national health service, but this does not include free medical care for the whole population. The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity and monthly

payments in case of death or disablement for those working in factories and establishments with 10 or more employees.

The ESI (Central) Amendment Rules, 2016 – notified on December 22, 2016 – expanded coverage to include employees earning Rs. 21,000 (US$313.53) or less in a month from January 1, 2017; previously, the wage limit for ESI subscribers was Rs 15,000 (US$223.95) per month. Subsequently, the Employees' State Insurance (Central) Amendment Rules, 2017 was notified on January 20, detailing new maternity benefits for women who have insurance.

Sickness benefit under ESI coverage is 70 percent of the average daily wage and is payable for 91 days during two consecutive benefit periods.

9.2.3 Disability Benefit

The Employee's Compensation Act, 1923, formerly known as the 'Workmen's Compensation Act, 1923', requires the employer to pay compensation to employees or their families in cases of employment related injuries that result in death or disability.

In addition, workers employed in certain types of occupations are exposed to the risk of contracting certain diseases, which are peculiar and inherent to those occupations. A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment, and the employer is liable to pay compensation for the same. Injuries resulting in permanent total and partial disablement are listed in parts I and II of Schedule I of the Employee's Compensation Act, while occupational diseases have been defined in parts A, B, and C of Schedule III of the Employee's Compensation Act.

Compensation calculation depends on the situation of occupational disability:

(a) Death

50 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs 80,000 (US$1,246.20), whichever is more.

(b) Total permanent disablement

60 percent of the monthly wage multiplied by the relevant factor (age) or an amount of Rs 90,000 (US$1,401.98), whichever is more.

9.2.4 Maternity Benefit

The Maternity Benefit (Amendment) Act, 2017 came into force on April 1, 2017, and increases some of the key benefits mandated under the previous Maternity Benefit Act of 1961. The amended law provides women in the organized sector with paid maternity leave of 26 weeks, up from 12 weeks, for the first two children. For the third child, the maternity leave entitled will be 12 weeks. India now has the third most maternity leave in the world, following Canada (50 weeks) and Norway (44 weeks).

The Act also secures 12 weeks of maternity leave for mothers adopting a child below the age of three months as well as to commissioning mothers (biological mothers) who opt for surrogacy. The 12-week period in these cases will be calculated from the date the child is handed over to the adoptive or commissioning mother.

In other provisions, the law mandates that every establishment with over 50 employees must provide crèche facilities within easy distance, which the mother can visit up to four times a day. For compliance purposes, companies should note that this particular provision will come into effect from July 1, 2017.

The Maternity Benefit (Amendment) Act introduces the option for women to negotiate work-from-home, if they reach an understanding with their employers, after the maternity leave ends.

Under the pre-existing Maternity Benefit Act of 1961, every woman is entitled to, and her employer is liable for, the payment of maternity benefit at the rate of the average daily wage for the period of the employee's actual absence from work. Apart from 12 weeks of salary, a female worker is entitled to a medical bonus of US$54.45 (Rs 3,500).

The 1961 Act states that in the event of miscarriage or medical termination of pregnancy, the employee is entitled to six weeks of paid maternity leave. Employees are also entitled to an additional month of paid leave in case of complications arising due to pregnancy, delivery, premature birth, miscarriage, medical termination, or a tubectomy operation (two weeks in this case).

In addition to the above, the 1961 Act states that no company shall compel its female employees to do tasks of a laborious nature or tasks that involve long hours of standing or which in any way are likely to interfere with her pregnancy or the normal development of the fetus, or are likely to cause her miscarriage or otherwise adversely affect her health.

9.2.5 Gratuity

The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more.

Gratuity is provided as a lump sum payout by a company. In the event of the death or disablement of the employee, the gratuity must still be paid to the nominee or the heir of the employee.

The employer can, however, reject the payment of gratuity to an employee if the individual has been terminated from the job due to any misconduct. In such a case of forfeiture, there must be a termination order containing the charges and the misconduct of the employee.

Gratuity is calculated through the formula mentioned below:
Gratuity = Last Drawn Salary × 15/26 × Years of Service, where

- The ratio 15/26 represents 15 days out of 26 working days in a month.
- Last Drawn Salary = Basic Salary + Dearness Allowance.

- Years of Service are rounded up or down to the nearest full year. For example, if the employee has a total service of 10 years, 10 months and 25 days, 11 years will be factored into the calculation.

Gratuity is exempt from taxation provided that the amount does not exceed 15 days' salary for every completed year of service calculated on the last drawn salary (subject to a maximum of US$15,467.62 or Rs 10 lakh). It is important to note that an employer can choose to pay more gratuities to an employee, which is known as ex-gratia and is a voluntary contribution. Ex-gratia is subject to tax.

9.2.6 Employees' State Insurance Act

The Employees' State Insurance Act, enacted in April 1948, was one of the first major pieces of social welfare legislation to be enacted after the partition of British India. The problem of social security had attracted the attention of the Government of India as early as 1927, in connection with the ratification of the draft Convention on social insurance passed at the tenth session of the International Labor Conference, in that year. In 1931 a Royal Commission on Labor recommended the introduction of a sickness insurance program. In 1943 a social insurance expert was appointed to study the question and draft a report on sickness insurance for industrial workers in India. The report, submitted in 1944, outlined a program of this type for industrial workers.

After the Government had fully considered the views of employers, employees, and the State governments and the technical suggestions of the International Labor Office, the Minister for Labor introduced a bill in the Central Legislature in 1946 that was passed as the Employees' State Insurance Act, 1948. Two earlier measures providing some social security to industrial workers already existed in India. These were the Workmen's Compensation Act of 1923 and the various State maternity benefit acts. Experience showed that both measures left much to be desired. Lump sum payments under the Workmen's Compensation Act were not satisfactory, since such payments are usually spent by the workers as soon as they are received and the disabled workers are left

without continuing income. The various State maternity benefit acts were neither uniform nor universal, and, since each employer bore directly the cost of such benefits, employers often dismissed a woman worker on the first indication of pregnancy.

These and other defects in the administration of the earlier laws were remedied in part when the 1948 legislation was enacted. After the passage of the Employees' State Insurance Act in 1948, a plan for its progressive application to various regions in the country was drawn up by the Employees' State Insurance Corporation, the agency that had been set up to administer the program. As the problem was new to the country and involved setting up a new technical organization, the Corporation did not think it possible to implement the program throughout the country simultaneously. According to the plan, it was proposed to implement the program first in Kanpur and Delhi by July 1950 and then to extend it by several successive steps until, in 1955, it would be effective in all the major industrial centers. The Employers' Association of Northern India (Kanpur) raised certain objections, however, to this piecemeal application of the law. It pointed out that if the law were implemented in only a few regions, without its simultaneous application in other areas, it would place the industry in those regions at a competitive financial disadvantage. The Government gave consideration to these objections, and an amendment to meet them was passed in October 1951. Under the 1951 amendment all employers covered by the law throughout India will pay contributions during the transitional period (1952-54)) even though benefits are not yet available to their employees.

Scope of this Act:

The Act relates initially to all factories, other than cyclical factories, run with power and employing 20 or more persons. All employees getting a salary not exceeding 400 rupees a month are covered. The Act also makes provision for the program's delay, either entirely or in part, to any establishment or class of formations to include other workers, including agricultural workers. The Act also delivers that medical benefits may be extended to the families of insured employees. This question is being studied at the present time by the Corporation. It is estimated that 12,000

employers employing 2.5 million persons will be covered by the law when it is in operation in all the major industrial areas in 1955.

Classes of Benefit

The law provides for five classes of benefits - medical benefit, sickness benefit, maternity benefit, disablement benefit, and dependents' benefit. The last two types of benefit are payable only in case of occupational injury or death. Medical benefit.-Medical services are provided to insured employees for illnesses whether of occupational or no occupational origin. Medical care and treatment are furnished to sick, insured persons at State insurance dispensaries established for this purpose by the State government in various industrial areas. In Delhi and Kanpur these dispensaries are manned by full-time medical doctors, who treat insured persons and, if necessary, visit them at their homes. Drugs and medicines are also provided. Arrangements have been made for mobile dispensaries to visit distant places. A question that is engaging the attention of the Corporation in connection with the medical benefit is whether a panel system, with free choice of doctor, should replace the service system established in Delhi and Kanpur through the State insurance dispensaries. Experience in these States has shown that it is not easy to get suitable buildings for dispensaries. The number of dispensaries that would have to be set up for a service system is very large. The Director General of the Corporation, C. L. Katial, has stated that the panel system has several distinct advantages in India. For one, it would facilitate the implementation of the program in small towns.

Qualified doctors, most of whom have well equipped clinics of their own, are available in almost every city and small town. It may not be worthwhile to establish dispensaries in the small population centers; even if a dispensary is established, it may not be convenient and suitable to all insured persons in that area. Moreover, according to the Director General, "the panel system permits every insured person to make free choice of his doctor who may be suitable to and convenient to him, and provision of medical benefit to the families of insured persons in future

will be very much [morel convenient and easier through the panel system . . . It is expected that the panel system will be speedy and avoid [the1 overcrowding and waiting [customary] in the case of dispensaries. The bulk of the medical profession in this country consists of private practitioners and it is through the panel system that services of these qualified medical practitioners can be harnessed for the benefit of the nation's health. The Corporation has already agreed to adopt the panel system for the State of Bombay and the Punjab Government has also accepted the adoption of panel system in their State." It is expected that the per capita expenditure on medical care in India will be raised from its present level of less than 1 rupee to about 8 rupees for insured persons.

Sickness benefit - Cash sickness benefits are payable up to a maximum of 8 weeks (56 days) in any continuous period of 365 days. There is a waiting period of 2 days. The benefit is equivalent to approximately 7/12 of wages, being half of the "average assumed daily wage" in the wage class, but paid for 7 days in the week instead of 6.

Maternity benefit-A qualified insured woman worker, at the time of her confinement, may receive medical treatment and also be entitled to claim maternity benefit at half her average daily wage or 12 annual a day, whichever is greater. The benefit amount is computed on the same basis as the sickness benefit. The benefit is payable for 12 weeks, of which not more than 6 weeks may precede the expected date of confinement; it is continued, however, only so long as she does not work for remuneration.

Disablement benefit - When an employee suffers an employment injury in the course of his work, he is entitled to receive medical treatment and also a cash disablement benefit roughly equal to half his wages for the period for which he is certified as unable to attend to work. If the disablement is total and permanent, an amount equal to roughly half the wages will be paid as pension for life. For partial permanent disablement, a proportion of the wages will be paid as life pension. Dependents' benefit.-In the event of the death of a covered worker as a result of employment injury, a pension roughly equal to half the average wages is

available to the widow and children. The widow's pension may not exceed three-tenths of the wage, and each child's may not exceed one fifth.

The Government of India has given high priority to a program of social security for its millions of workers. The program recently adopted is limited in scope-both in the protection afforded and in coverage-a fact recognized by the Director General of the Employees' State Insurance Corporation. A beginning had to be made somewhere, he has pointed out, and he has expressed confidence that as the system gains experience and as the national income increases, "the scope as well as benefits provided under this measure will be enhanced and it will not be long when other risks such as unemployment, old age, death, etc., will also be covered." India is the most populous country in the world with a democratic form of government and ranks second among the industrial nations of Asia.

The adoption there of a social security program is an important development. The new nation faced and still faces numerous problems. Illiteracy is widespread; the literacy rate, although it is steadily improving, is now about 20 percent. The population is increasing at the rate of about 5 million a year, and by conservative estimates it is probable that the population will exceed 400 million by 1960. India lines it necessary to import about 3 million tons of food grains to supplement the 45-50 million tons produced domestically. These problems, and the programs designed to meet them, have been outlined by the Government of India in The First Five Year Plan, published in December 1952. The Director General of India's social security program looks forward to the time when "not only industrial workers but everyone in this country will be protected against the social risks to which a man is ordinarily exposed in his life."

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. Write about any three types of Security service in India.

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2. Discuss about Pension or Employees' Provident Fund.

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3. Discuss the "Maternity Benefit".

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4. Write about the Disability Benefit.

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5. Write about Employees' State Insurance Act.

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9.3 SOCIAL WELFARE ADMINISTRATION

According to Wayne Vasey (1958) social welfare included two main features: The utilisation of welfare measures to support or strengthen the family as a basic social institution through which needs are met; and the intent to strengthen the individuals' capacity to cope with their life situation. The endowment of social welfare includes services for children, youth, women, aged, scheduled castes, scheduled tribes, other backward classes, minorities, disabled, drug addicts, and economically underprivileged such as destitute and unemployed. Social welfare programmes are, therefore, directed to ameliorate their conditions. Therefore, it requires proper administration.

Social welfare administration is a process through which social policy is transformed into social services. It involves the administration of public and private agencies. The following definitions are given to elaborate the meaning of social welfare administration. John C. Kidneigh (1950) defines social welfare administration as the "process of transforming social policy into social services… a two way process:

(i)   transforming policy into concrete social services and

(ii)   the use of experience in recommending modification of policy. This definition, of course, encompasses the idea that administration is the process of transforming policies into action programmes.

According to Walter A. Friedlander (1958) 'administration of social agencies translates the provisions of social legislation of social agencies and the aims of private philanthropy and religious charities into the dynamics of services and benefits for humanity.

According to Arthur Dunham (1962), "administration is the process of supporting or facilitating activities which are necessary and incidental to services by a social agency. Administrative activities range from the determination of function and policies, and executive leadership to routine operations such as keeping records and accounts and carrying on maintenance of services.

Harleigh Tracker (1971) interprets social welfare administration as a "process of working with people in ways that release and relate their energies so that they use all available resources to accomplish the purpose of providing needed community services and programmes." The American Council of Social Work Education in its curriculum study has given a comprehensive definition of social welfare administration. It contains, "Administration is the process of transforming community resources into a programme of community service, in accordance with goals, policies and standards which has been agreed by those involved in the enterprise. It is creative in that it structures roles and relationships in

such a way as to alter and enhance the total product. It involves the problem solving process of study, diagnosis and treatment".

Therefore, on the basis of above definitions, we find that it is a process which includes definite knowledge, understanding, principles and ways of interaction. Its main focus is on the suitability and accessibility of social services to the needy. Social work enables the process of administration through guidance, planning, stimulation, organisation, creating structure, coordinating and research. To fulfill the well-defined main objectives of administration, policies are suitably amended; programmes are formulated and budget, finance, personnel and selection procedures are made:

Rosemary Sarri (1971) has outlined the activities of social welfare administration as follows:

  i)   Translation of social mandates into operational policies and goals to guide organisational behaviour;

  ii)   Design of organisational structures and processes through which the goals can be achieved;

  iii)   Securing of resources in the form of materials, staff, clients and societal legitimation necessary for goal attainment and organisational survival;

  iv)   Selection and engineering of the necessary technology;

  v)   Optimizing organisational behaviour directed towards increased effectiveness and efficiency; and

  vi)   Evaluation of organisational performance to facilitate systematic and continuous solution of problems.

9.4 FEATURES OF SOCIAL WELFARE ADMINISTRATION

9.4.1 Features of Social Welfare Administration

While the concept of administration is applicable in a broader sense to areas including social welfare, business and government, there are certain distinctive features of social welfare administration. A summary of

features highlighting distinctiveness of social welfare administration is given below: It is concerned with social agencies and helps them to achieve their objectives within target community. It is specifically concerned with identification of social objectives and formulation/ implementation of programmes. From functional point of view, it encompasses three facets of social problems:

(i)   Restoration of impaired social functioning;

(ii)   Provision of resources, social and individual, for more effective social functioning;

(iii)   Prevention of social dysfunction.

Despite variations in size, scope, structure and type of programmes, every agency has a governing board as an apex body for final decision making. The board is generally represented by the community it intends to serve.

Social welfare administration needs optimum utilization of its available resources together with active community participation, so that the ultimate goal of programmes can be achieved properly.

Social welfare agencies have to earmark certain portion of their resources for survival. But this should not limit their capacity to achieve in quantitative and qualitative terms.

Social welfare agencies generally function in a co-operative manner and ensure participation of all the members in administration of their activities. There is a growing trend in these agencies to recruit professionally qualified manpower. It has helped in introducing professional approach in their functioning.

9.4.2 The Integral View of Social Welfare Administration

Another view of the scope of social welfare administration has come into vogue during the last few years. Due to emergence of new social problems, the subject matter of Social Welfare Administration is expanding day by day. The already overworked administrative

machinery of the government itself, not being able to successfully tackle these problems, involves various non-governmental organisations for this purpose. Therefore, this view incorporates not only the subject matter of social welfare administration but the implementation aspect as well, which is primarily the focus of POSDCoRB view. The scope of social welfare administration is quite diverse in nature. With the emergence of new social problems of entirely different nature, a new strategy needs to be evolved for their solution. It may require optimum utilization of available resources e.g. human, institutional, financial, technological etc. in a changing context. The social welfare administration incorporates a number of factors that are significant in the entire process of successful solution of social problems.

A brief description of these factors (D.R. Sachdeva 1992) is given below: Contents of social welfare administration: Social welfare is concerned with –

- **Social Problems**: Assessment of its causes, prevention and treatment through public participation and effective implementation of social legislation.
- **Social Services**: Social services are meant for general public through provision of health, education, housing etc. and make them more effective for the upliftment of disadvantaged and vulnerable sections of society.
- **Social Security**: To make and implement effective social assistance and social insurance provisions. It aims to compensate for the loss of income due to unemployment, disability or death caused by accident and old age through social insurance and social assistance.
- **Social Policy**: To make effective social policy for the welfare of underprivileged sections of the society, to achieve the goals of welfare state through social action.

Interdisciplinary Nature

Social welfare administration requires the interdisciplinary knowledge and constant interaction with other social sciences to know the human

being in totality, such as philosophy, psychology, sociology, political science and economics to solve their problems in appropriate manner.

Administrative Structure

Social welfare administrator needs to understand the organisational and administrative structure of social welfare program at each and every level of implementing organization. Similarly, it is also important to know the role and set up of nongovernmental organisations for effectively carrying out their functions.

Financial Administration

Since the scope of social welfare and social security is increasing day by day and more and more people are coming under the coverage of these programs, the need for additional financial support increases. In order to make out proper and effective budgeting of such program, the knowledge of financial administration is highly essential. Therefore, professionals engaged in social welfare administration must be trained in the techniques and principles of financial administration.

Human Resource Management

In order to provide effective social welfare services to the needy and suffering, it is essential to have dedicated, trained and interested social welfare functionaries at different levels. Therefore social welfare administration requires proper knowledge of human resource management which includes knowledge about recruitment policies, job classification, training and development, staff evaluation, progression and assignment etc. for effective execution of social services.

Public Relations and Participation

The social welfare bureaucrats need to be cognizant of the prominence of public relations with regard to both their own agency and its services, and the community as a whole. The welfare administrators must be conversant to utilize mass media, such as TV, radio, newspaper, brochures, books and personal contacts, to interpret their agencies' programs to the public and reaching community members. It is also

required to get associated with the government and non-governmental agencies working in the field, the people or the beneficiaries, whose co-operation and support will add to the effective planning, construction and execution of policies and programs envisioned for their welfare.

To Conduct Research and Evaluation Studies

Effective research and evaluation studies provide useful feedback on the impact of on-going projects and about the different dimensions of existing social problems. Research also facilitates effective planning, policy formulation and implementation of programs.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. Write about Features of Social Welfare Administration.

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2. What is the Integral View of Social Welfare Administration?

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9.5 CENTRAL SOCIAL WELFARE BOARD (CWSB)

The Central Social Welfare Board was established in 1953 by a Resolution of Govt. of India to carry out welfare activities for promoting voluntarism, providing technical and financial assistance to the charitable organizations for the general welfare of family, women and children. This was the first effort on the part of the Govt. of India to set up an organization, which would work on the principle of voluntarism as a non-governmental association. The objective of setting up Central Social Welfare Board was to work as a link between the government and the people.

Dr.Durgabai Deshmukh was the founder Chairperson of the Central Social Welfare Board. Earlier she was in charge of "Social Services" in the Planning Commission and she was instrumental in planning the welfare programs for the First Five Year Plan. Under the guidance of Dr. Durgabai Deshmukh, various welfare schemes were introduced by the Central Social Welfare Board.

The Central Social Welfare Board obtained its legal status in 1969. It was registered under section 25 of the Indian Companies Act, 1956

The State Social Welfare Boards were set up in 1954 in all States and Union Territories. The objective for setting up of the State Social Welfare Boards was to coordinate welfare and developmental activities undertaken by the various Departments of the State Government to promote voluntary social welfare agencies for the extension of welfare services across the country, specifically in uncovered areas. The major schemes being implemented by the Central Social Welfare Board were providing comprehensive services in an integrated manner to the community.

Many projects and schemes have been implemented by the Central Social Welfare Board like Grant in Aid, Welfare Extension Projects, Mahila Mandals , Socio Economic Programme, Dairy Scheme, Condensed Course of Education Programme for adolescent girls and women, Vocational Training Programme, Awareness Generation Programme, National Crèche Scheme, Short Stay Home Programme, Integrated Scheme for Women's Empowerment for North Eastern States, Innovative Projects and Family Counseling Centre Programme.

The scheme of Family Counseling Centre was introduced by the CSWB in 1983. The scheme provides counseling, referral and rehabilitative services to women and children who are the victims of atrocities, family maladjustments and social ostracism and crisis intervention and trauma counseling in case of natural/ manmade disasters. Working on the concept of people's participation, FCCs work in close collaboration with

the Local Administration, Police, Courts, Free Legal Aid Cells, Medical and Psychiatric Institutions, Vocational Training Centers and Short Stay Homes.

Over six decades of its incredible journey in the field of welfare, development and empowerment of women and children, CSWB has made remarkable contribution for the weaker and marginalized sections of the society. To meet the changing social pattern, CSWB is introspecting itself and exploring new possibilities so that appropriate plan of action can be formulated. Optimal utilization of ICT facilities will be taken so that effective and transparent services are made available to the stakeholders.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. Write about Central Social Welfare Board.

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9.6   LET US SUM UP

This unit has been deliberate to provide a basic understanding of social welfare administration: concept, nature and scope. We have presented a number of definitions of administration, social administration, social welfare and its related concepts for basic understanding. We have analyzed the meaning and features of social welfare administration. We have discussed nature and scope of social welfare administration in a inclusive manner and examined whether social welfare administration is a profession or not? We have also examined the need of professionals/trained administrators in the implementation of social welfare programs.

9.7   KEY WORDS

Social Service: 'Helping the helpless' is social service. It is service rendered to any person on the basis of desire to serve which is inspired by the feeling of helping others. Thus the term 'social service' is used to denote help given by a volunteer to an individual or group at the time of need or to enhance the welfare of individual or the community through personal efforts or by collective action. Social service does not require training in social work or skill in professional techniques.

Social Welfare Services: Thus social services are the services, meant for the normal population. Whereas, social welfare services are designed for the weaker sections of society or services for particular groups of people. The aim of social services on the other hand is to enhance human quality of resources in general. Social welfare services are also enabling services provided to the weaker sections of the community so as to help them to reach the main stream of society. Thus both these services are supplementary and complementary to each other.

Social Security: Social security is the security that society furnishes through provision of appropriate services against violation of certain rights to which its members are exposed. These risks are essentially contingencies of life which the individuals of small means cannot effectively provide for by their own ability or foresight alone or even with the help of their fellow human beings.

Social Work: 'Help the helpless to help them'. Social work is a method or process based on scientific knowledge and skill to assist the individuals, group and communities, with the view to enhance their social functioning to grow in accordance with their knowledge, capacities and capabilities. Therefore, social welfare has been used as an end and social work, as a means for the provision of social welfare.

Social Welfare: Social welfare is an organised system of social services and institutions, designed to aid individuals and groups, to attain satisfying standards of life and health. Social welfare therefore, aims at providing services to weaker sections of the population who because of various handicaps such as physical, mental, economic and social, are unable to make use of social services provided by society or have been traditionally deprived of these services.

9.8 QUESTIONS FOR REVIEW

1. Write about any three types of Security service in India.

2. Discuss about Pension or Employees' Provident Fund.

3. Discuss the "Maternity Benefit".

4. Write about the Disability Benefit.

5. Write about Features of Social Welfare Administration.

6. What is the Integral View of Social Welfare Administration

7. Write about Central Social Welfare Board.

9.9 SUGGESTED READINGS AND REFERENCES

- Devi, Rameshwari and Parkash Ravi (1998), "Social Work and Social Welfare Administration, Methods and Practices", Vol. I, Mangal Deep Publications, Jaipur.

- Skidmore, Rex A. (1983), "Social Welfare Administration: Dynamic Management and Human Relations", Prentice Hall Inc. London.

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- Slavin, Simon ed. (1978), "Social Administration: The Management of the Social Services", The Heworth Press and Council on Social Work Education

9.10 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1) See Section 9.2

2) See Sub Section 9.2.1

3) See Sub Section 9.2.4

4) See Sub Section 9.2.3

5) See Sub Section 9.2.6

Check Your Progress 2

1) See Sub Section 9.4.1

2) See Sub Section 9.4.2

Check Your Progress 3

1) See Section 9.5

UNIT 10: EMERGING ISSUES IN INDIAN ADMINISTRATION

STRUCTURE

10.0 OBJECTIVES

After reading this unit you should be able to:

- To explain the meaning and importance of Administrative Reforms;
- To describe the reform measures undertaken by the government since independence; and
- To examine the reforms in the light of the recent initiatives taken.

10.1 INTRODUCTION

When lndia's attained independence, it hereditary a colonial legacy in administration, which was suited to the needs of revenue collection and conservation of law and order. During the years following freedom, the Indian government was mostly pre-occupied with the problems of administrative integration of the princely states and the rehabilitation of the ranges and the expatriate. With India fetching republic the objectives for the development of the country was spelt out. The focus shifted to the social and economic development of the country. Attention was directed to people-oriented administration. Administration had to be responsive to the development needs of the people. Thus, there was a need to reform the administration to suit the needs of independent lndia. The Government of India undertook various measures for bringing in reforms in administration. It established various committees and commissions and organised conferences to suggest reforms in administration. We will be discussing them in the ensuing sections. We will first discuss the meaning, needs, and types of administrative reforms, which will be followed by the reform steps and measures undertaken in the country since independence.

Public Administration must deal with many issues as the political, social and economic face of the country vicissitudes. Government in the United States is different than in many countries because we are a citizen-centered society that ideally answers to the populace. Our public programs are funded by taxpayers. Because administration of public programs requires attention to the ethics and culture of society, it must

change as the government policies change. Here are five issues that impact the administration of public programs today.

1. Political Environment

In America the two-party system has traditionally meant that Republicans want more state or locally-centered government and fewer programs while the Democratic Party favors more centralized government. Public program administrators must change policies to react to the positions of the party in power. The recent economic downturn plays a part in the shift between philosophies too because politicians are skittish about funding certain kinds of programs. The trend has been toward downsizing and administrators have to figure out how to do the same work with fewer employees. Work morale suffers when raises are capped and hiring freezes as well as restructuring threaten jobs.

2. Contracting

Responding to a demand for more frugality in programs, administrators have turned to private contractors. That change has had the opposite effect in many cases. Services that are part of the governance tend to be more responsible toward its policies and limitations. Private contractors have tended to "play by other rules." This has resulted in a number of scandals like the Blackwater issues in Iraq and, more recently, abuses in the privatization of prisons and with the debacle of the Veteran's Administration. In the latter, contracting has resulted in budget over-runs and in outrageous charges for things like toilets. Still, the theory that competition may spur some more efficient use of resources may prove true in some instances. The challenge seems to be in deciding which things to privatize.

3. Technology

The website Unpan.org cites this as a major game changer for Public Administration. Even if public services did not want to implement technology, they would have no choice. Every other sector has turned to data-oriented operations and public service and non-profits must as well in order to interface with them. The issue is with organizational and

personal security. In order to maintain a secure database someone must have the expertise to administer the computer programs and that demands additional and more specialized personnel.

4. Social Equity

The challenge presented by this issue is to make public organizations representative of the social and cultural environment in which they exist. In simpler terms, public housing organizations in minority areas must include a proportionate number of minority members in the administration. That not only applies to racial issues, but to gender and to sexual orientation. However, organizations founded in this manner may encounter conflicts between members and cultural groups. In each case, while recognizing the rights of the majority, organizations must protect minorities.

5. Transparency

Hillary Clinton said in a debate that politicians must have a personal and a public opinion. That is, there are times when administrators of public programs act contrary to their own convictions for the good of the organization. There are also times when organizations are not forthcoming about some actions because programs deemed necessary would not be well received or understood by the public that is funding the organization. The trend toward transparency means that administrators must walk a thin line between full public disclosure and having some clandestine policies. This transparency also affects other issues like the contracting problems and the inclusion of minorities in appropriate numbers.

Of course there are other issues to be dealt with, but these are representative of the difficulties governments face in implementing civil programs for the benefit of the public. The face of Public Administration must always change to mirror the government and culture that houses it.

You must be familiar, by now, with the meaning of state and society with particular reference to India. State, as you all knows attempts to achieve

set goals and objectives for the welfare of its citizens. These are accomplished through the instrument of government. The government through plans, policies and programmes attempts to deliver the essential services to the people. In simple words, this is the meaning of governance and this is a major task of the government. Since independence, the government has been the sole provider of goods and services in several areas. But over the past two decades, many changes are taking place at the global level and these are affecting India also. We have now a strong private sector, which along with the government provides services to the people. Also people's associations or civil society is playing an active role. Presently, we are moving from governing almost exclusively by the formal 'government' to governance, which is broader in nature comprising government, private sector and people's associations and civil society groups.

In this unit, we shall familiarize ourselves with the concepts of state, government and its administrative reforms. We shall discuss the key features of governance, Issues and Challenges - and the key governance strategies adapted in India. We shall also examine certain issues and challenges pertaining to governance.

10.2 MEANING OF ADMINISTRATIVE REFORMS

Administrative reforms have been variously definite. The alteration, administration restructuring, administrative reengineering, renewal, rearrangement etc. is related. The idea is that administration is in need of re-alignment and readjustment and it must evolve to a new form and format through a planned, systematized and well-directed process. Administrative reforms can, in short, be defined as artificial inducement of administrative transformation against resistance. This definition climaxes three distinct elements, namely: Administrative reform is artificially stimulated; it is a transformatory process; and there is existence of resistance to change process. Obviously, reforms do not take place by themselves. They are pre-meditated, well studied and planned

programmes with definite objectives in view. Reform is an induced and manipulated change, for it involves persuasion, collaboration and generation of conviction for betterment. Reform is more than a series of incremental changes or marginal adjustments, though it may result from the cumulating of small changes, which periodically creates requirement for comprehensive and systematic efforts. Administrative reform paves the way for new order. It refers to the formal, mechanistic and meditated process of structured change.

The distinguishing characteristic of modernised social system is its ability to deal with continuous systematic transformation. Society has to change in order to free itself from the shackles of traditionalism, cope with the changes in environment, adopt fresh innovative culture, adopt new knowledge and technology and crave for a new order through elimination of the old structures and system. Administrative reform is but a part of the universality of this change, for administration is nothing but a sub-culture, a social sub-system reflecting the values of the wider society. Administration must also correspondingly change to be in step with the outer modernisation process. Or else, disequilibrium would set in, resulting in imbalances, dysfunctional ties, maladjustments and goal displacement. According to Fred W.Riggs administrative reform is a "problem of dynamic balancing ". Since public administration functions within a political context, its basic character, content and style of functioning is greatly influenced by the political environment, its institutional dynamics and process, in not merely setting national goals, priorities, or deciding between competing values, and allocating resources but also in devising the most effective instrument for translating these policies into successful programme realities. Added to this, the advances in Information and Communication Technology (ICT), and the state's pervasive role in managing national assets and resources, controlling the entire economy through regulation and development, ensuring a just and equitable economic order, correcting age old social imbalances through newer forms of institution-making, and ushering in an egalitarian social system, has thrown up new tasks for administration. This requires fundamental and foundational improvement in the

administrative capabilities. The latter in turn, requires proper planning, educational re-arrangement, skill-generation, attitude-formation and a host of other structural-functional organization. This is administrative reform; the success of administrative reform programmes postulates an inter-disciplinary and multidimensional approach. With the nineties came the market reforms, and there was an emphasis on structural adjustment. Good governance is the stress of the governments of the day, with focus on accountability, efficiency, effectiveness, transparency and decentralization. With focus on good governance today, there has been a greater change in the conventional role of the State, the government and the bureaucracy. Today, there is shift from responsiveness to partnership and collaboration. The importance is given to people's participation in governance and the involvement of the multiple actors. With citizen's participation and collaboration taking centre stage, the government has to act as partners with the citizens. Administration cannot fulfill the newer roles with the traditional organisation and methods. It has to be people friendly and work on public trust. Hence, the bureaucracy has to change to adapt to the new role. This need for change in turn necessitates reforms.

In India, after independence, several steps were taken for promotion of welfare state and catering to the needs of the people. The Constitution of India was adopted in 1950; the Fundamental Rights and Directive Principles of State Policy have been incorporated in it. Planning was resorted to as an instrument of development to achieve the socio-economic objectives. The Planning Commission was set up to institutionalise the planning process. The governance system operates in accordance with the goals set by the planners. These include self-reliance, economic growth, industrialisation, modemisation and social justice.

The civil service system in post-independent India was reorganized. At the central level, the civil services include the All-India services, namely the Indian Administrative Service, the Indian Forest Service, and the

Indian Police Service. There are various central services like the Indian Income Tax Service, Indian Railway Services etc.

There are three tiers of administration-Union Government, State Governments and the Local governments. The State Governments have their own set of services.

1. Reforms in Pre-Independent India:

Administrative reforms in India have a very long. Kingdoms existed in India since several hundred years B.C. so have reform practices. In the earlier era the civil servants performed the role of servants of the king. (Kautilya's Arthshastra describes the civil service of those days and lays down various norms 300 B.C. to 1000 A.D) During the medieval period, they became State servants. The land revenue system was established during the Moghul period.

The East Indian Company had a civil service to carry out its commercial functions. During the British rule, the system started as servants to the Crown, but gradually these servants became 'Public Servants'. The British government set up the Indian civil service, primarily with the objective of strengthening the British administration.

In this period the role of the civil services was to further the British interest and the role was very regulatory. Later on they assumed development roles also. After the coming into force of the Constitution, the public services as we see today came into being.

2. Post-Independence Reforms:

Administrative Reforms in India after independence have been carried out after scrutiny through commissions and committees who have suggested various measures. Major reforms have been brought about, based on the recommendations of these. Some of the important studies/reports are as follows:

a. Report on Reorganisation of the Machinery of Government (1949) by Mr. Goplaswami Ayyangar: It

b. Recommended that the Central Ministries be bunched into Bureaus.

c. The Gorwala Committee appointed by the Planning Commission: It gave a general report on Public Administration

d. Paul H. Appleby submitted two reports on Indian Administration: The O & M organization and the Indian Institute of Public Administration were set up because of the recommendations.

e. The Committee on Prevention of Corruption was set up under chairmanship of Mr. K. Santhanam (MP): The Central Vigilance Commission was set up as a result.

f. The First Administrative Reforms Commission (ARC) was set up in 1966. The ARC set up 20 study teams, 13 working groups and 1 Task Force. U gave 20 Reports making a total of 581 recommendations in a period spread over 1966-70 It gave Reports on the subjects like Machinery of Government of India and its procedures, Personnel Administration, Redress of Citizen's Grievances, Centre-State Relations, State Administration, Administration of Union Territories, Machinery for Planning, Economic Administration, Finance, Accounts and Audit, Delegation of Financial and Administrative Powers, Railways, Post and Telegraph, etc.

g. Committee on Recruitment Policy and Selection Methods (D.S. Kothari)-1976

h. The Committee to Review the Scheme of the Civil Services Examination (Satish Chandra, 1989)

3. Second Administrative Reforms Commission:

a. The Second Administrative Reforms Commission was constituted on 31st August 2005 under the chairmanship of Veerappa Moiley to prepare a detailed blueprint for revamping the public administration system. The Commission will suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government. The Commission will, inter alia, consider the following:

(i) Organisational structure of the Government of India

(ii) Ethics in governance

(iii) Refurbishing of personnel administration

(iv) Strengthening of financial management systems

(v) Steps to ensure effective administration at the State level

(vi) Steps to ensure effective district administration

(vii) Local self-government/Panchayati Raj institutions

(viii) Social capital, trust and participative public service delivery

(ix) Citizen-centric administration

(x) Promoting e-governance

(xi) Issues of federal polity

(xii) Crisis management

(xiii) Public order

b. The Commission may exclude from its purview the detailed examination of administration of Defence, Railways, External Affairs, Security and Intelligence, as also subjects such as Centre-State relations, judicial reforms etc. which are already being examined by other bodies. The Commission will, however, be free to take the problems of these sectors into account in recommending re-organisation of the machinery of the Government or of any of its service agencies.

10.3 NEED FOR ADMINISTRATIVE REFORMS

The distinguishing representative of modernised social system is its ability to deal with incessant systematic transformation. Society has to change in order to free itself from the shackles of conventionalism, cope with the changes in environment, accept fresh advanced culture, adopt new knowledge and technology and crave for a new order through elimination of the old structures and system. Administrative reform is but a part of the universality of this change, for administration is nothing but a sub-culture, a social sub-system sparkly the values of the wider society. Administration must also congruently change to be in step with the outer modernisation process. Or else, disequilibrium would set in, resulting in imbalances, dysfunctional ties, maladjustments and goal displacement. According to Fred W.Riggs administrative reform is a "problem of dynamic balancing ". Since public administration functions within a

political context, its basic character, content and style of functioning is greatly influenced by the political environment, its recognized dynamics and process, in not merely setting national goals, priorities, or deciding between competing values, and allocating resources but also in devising the most effective instrument for translating these policies into successful programme realities. Added to this, the advances in Information and Communication Technology (ICT), and the state's pervasive role in managing national assets and resources, controlling the entire economy through regulation and development, ensuring a just and equitable economic order, correcting age old social imbalances through newer forms of institution-making, and ushering in an egalitarian social system, has thrown up new tasks for administration. This requires fundamental and foundational improvement in the administrative capabilities.

Administrative reform, the success of administrative reform programmes postulates an inter-disciplinary and multidimensional approach. With the nineties came the market reforms, and there was an emphasis on structural adjustment. Good governance is the stress of the governments of the day, with focus on accountability, efliciency, effectiveness, transparency and decentralisation. With focus on good governance today, there has been a greater change in the conventional role of the State, the government and the bureaucracy. Today, there is shift from responsiveness to partnership and collaboration. The importance is given to people's participation in governance and the involvement of the nlultiple actors. With citizen's participation and collaboration taking centre stage, the government has to act as partners with the citizens. Administration cannot fulfil the newer roles with the traditional organisation and methods. It has to be people friendly and work on public trust. Hence, the bureaucracy has to change to adapt to the new role. This need for change in turn necessitates reforms.

10.4 TYPES OF ADMINISTRATIVE REFORMS

Administrative reforms, according to Gerald E. Caiden, can be of four types.

10.4.1   Reforms imposed through political changes.

10.4.2   Reforms introduced to remedy organisational rigidity.

10.4.3   Reforms through the legal system and

10.4.4   Reforms through changes in attitude.

10.4.1 Reforms imposed through political changes

Administration is shaped and influenced by political forces. The change in ' political scene also affects administration. Structure and working of administration is affected by political changes.

10.4.2 Reforms Introduced To Remedy Organisational Rigidity

Bureaucratic structures have to change to be flexible. The rigidity in the structure of administration has to be removed. The changes can take place in the form of restructuring, reinvention, realignment, rethinking and reengineering.

10.4.3 Reforms Through The Legal System

Laws pertaining to administrative reform can lead to significant changes in administration. Legislation is normally preceded by consultations and deliberation in several forums such as committees, commissions, press etc.

10.4.4 Reforms Through Changes In Attitude

Human beings are an important part of any organisation. Change in their attitude will help in bringing reforms. No legal, structural and political change can lead to desired reform unless and until these are appreciated and accepted by the people working in the organisation.

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. Explain the meaning of administrative reforms?

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2. Discuss the need for administrative reforms?

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10.5 ADMINISTRATIVE REFORMS IN INDIA SINCE INDEPENDENCE

10.5.1 The Context For Reforms

When India became independent in 1947; it faced problems of partition, refugees, migration, retirement of a great number of administrative personnel, problem of integration of the princely States, etc. The new government adopted the ideology of welfare of the people through socio-economic development, which led to a greater proliferation of tasks and functions. To take up the welfare programmes and challenges, the administrative machinery, which was inherited from the colonial regime and rendered weak by erosive circumstances and stressful situations accompanying Independence, had to be revamped and reinforced. Administration, as the instrument for designing and implementing all the developmental programmes had to be restructured, reformed and renewed. Various measures were taken up by the GO1 in administrative reforms. We will discuss these measures now.

10.5.2 Secretariat Organization Committee, 1947

The Government of India set up the Secretariat Reorganisation Committee in 1947, which was headed by Girija Shankar Bajpai. The Committee enquired into the matters of personnel shortages, better utilization of the available manpower and improvement of methods of work in the Central Secretariat.

10.5.3 Shri N. Gopalaswamy Ayyangar Report, 1950

Shri N. Gopalaswamy Ayyangar conducted a comprehensive review of the working of the machinery of the Central Government, which was presented in his report on 'Reorganisation of the Machinery of Central Government'.

10.5.4 A.D. Gorwala Committe, 1951

In July 1951, a Committee headed by Shri .A.D. Gorwala in its Report on Public Administration underlined the need for having a clean, eficient and impartial administration.

10.5.5 Paul. H. Appleby Reports, 1953 & 1956

In continuation of these efforts, the Government of India invited an American expert, Mr. Paul. H. Appleby to suggest reforms in Indian administration. Appleby submitted two reports. His first report namely 'Public Administration in I India: Report of a Survey', 1953, dealt with administrative reorganisation and practices. His second report namely, 'Re-examination of India's Administrative System with special reference to Administration of Government's Industrial and Commercial Enterprises', 1956, dealt with matters pertaining to streamlining organisation, work procedures, recruitment, and training in these enterprises. Among the twelve recommendations made, the Government of India accepted two of his recommendations. First, related to the establishment of a professional training institute, namely the Indian Institute of Public Administration for promoting research in public administration. The second related to the setting up of a central office to provide leadership in respect to organisation, management and procedures. As a result, an Organisation and Methods (0 & M) Division was set up in March 1954, in the Cabinet Secretariat for improving the speed and quality of the government business and streamlining its procedures. 0 & M units and work-study units were set up in the Ministries / Departments. The focus was on improving the paper work management and methods. A Manual of Oflice Procedure was prepared for all Ministries and Departments.

10.5.6 Committee On Plan Projects, 1956

In 1956, the Planning Commission set up a 'Committee on Plan Projects' to evolve organisation norms, work methods and techniques, with a view to achieve economy and efficiency in the implementation of the plan projects. In 1964, a Management and Development Administration Division was also established as a part of this Committee to promote the use of modem tools of management. It also undertook studies on problems related to development administration at the district level.

10.5.7 Committee On Prevention Of Corruption, 1962

The Committee was set up under the chairmanship of K Santhanam to study the causes of corruption, to review the existing set up for checking corruption and to suggest measures for improvement. The Committee stressed on the need for streamlining the procedures relating to prevention of corruption and recommended the setting up of Central Vigilance Commission (CVC).

10.5.8 Administrative Reforms Commission (Arc), 1966

The Administrative Reforms Commission was set up in January 1966 under the chairmanship of K Hanumanthaiya. Its terms of reference was the widest as it covered the entire gamut of public administration at the Centre as well in the States. The 'Commission have already submitted 20 reports containing more than 500 recommendations. These led to major and minor changes in administration as well as paved the way for further thinking, which led to more reforms.

The major recommendations of the ARC are mentioned below:

1) It spelt out the tasks for the Department of Administrative Reforms. The Commission suggested that the Department should concentrate on: Undertaking studies on administrative reforms that are of a foundational nature;

2) It recommended the reactivating of the 0 &M units in different ministries and departments.

3) It called for setting up of a special cell in the central reforms agency to give effect to the reports of ARC; and

4) It stated that the central reforms agency should be research based in matters dealing with the methods of work, staffing pattern and organizational structure.

10.5.9 Kothari Committee, 1976

The Committee on recruitment and selection methods under the chairmanship of Shri Kothari was set up in 1976 by the UPSC to examine and report on the system of recruhent to All India Services and Central Group A and B Services. The committee in its report recommended for single examination for the AIS and Central Group A non-technical services.

10.5.10 National Police Commission, 1977

The Commission was set up under the chairmanship of Shri Dharam Vira to examine the role and fbnctions of police with special reference to control of crime and maintenance of public order, the method of magisterial supervision, the system of investigation and prosecution and maintenance of crime records. The Commission made over five hundred recommendations extending to a wide area of interest relating to police administration.

10.5.11 Economic Reforms Commission, 1981

The Commission was set up with L K Jha as the chairman. The main functions assigned to the Commission related to the study of the important areas of economic administration with a view to suggest reforms. The Commission submitted a number of reports to the Government of India, which advocated the rationalization and modification of the economic administrative system to pave way for a new economic order.

10.5.12 Commission On Centre-State Relations, 1983

Mr. R S Sarkaria, was the chairman of this Commission. Its term of reference was to examine and review the working of the existing arrangements between the union and states with regard to powers, functions and responsibilities in a11 spheres and make recommendations as to the changes and measures needed. Yational Commission to Review the Working of the Indian Constitution, 2000- 03, und,er the Chairmanship of Chief Justice (Retd.) Venkatacheliah was set up to examine the working of the Indian Constitution.

Conference of Chief Secretaries, 1996

A Conference of Chief secretary of the state and union territories was organized by the Department of Administrative Reforms & Public Grievances (AR & PG) on 20Ih November 1996. The focus of the Conference was on having an accountable, open and citizen-friendly government and on improving the performance and integrity of the public services. The follow-up actions of the Conference included:

1) Setting up of an inter-ministerial Working Group on Right to Information and Transparency headed by Shri H.D. Huria;
2) Constituting an Expert Group headed by Shri N. Vittal to look into the computerization in personnel system and public services;
3) Formulation of citizen's charters by all ministries with public interface;
4) Steps to provide timely disposal of departmental enquiries and vigilance proceedings;
5) Developing grievance redressal machinery; and
6) Initiating civil service reforms especially including the transfers and promotions in Centre and States.

Chief Minister's Conference, 1997

In pursuance of the objectives of accountability, transparency, and responsiveness welt out by the Conference of Chief Secretaries a national debate was generated on the above-mentioned issues to elicit opinion of

the wider public, which included officials, experts, voluntary agencies, media, academia and the citizens groups. This debate culminated in an Action Plan for effective and responsive government. The Action Plan was discussed and adopted in the Conference of Chief Ministers on 24th May 1997, to be implemented by both the Centre and the State governments. The Action Plan has three components, namely:

1) Making Government Accountable and Citizen-friendly
2) Transparency and Right to Information
3) Improving the Performance and Integrity of the Public Services
   We will discuss the three components now.

Accountable and Citizen-friendly Government To make the government and administration accountable and friendly to the citizens, the following steps are undertaken.

a) Implementation of Citizen's Charter

The Government of India has directed ministries and departments with public interface to formulate a citizen's charter laying down the standards of service and time limits, avenues of grievance redressal and provision for monitoring. The Department of AR&PG has coordinated efforts in 'this regards to see the adoption of the citizens' charter in ministries, departments and agencies of the Centre and States.

b) Redressal of Public Grievances

Director of Grievances has been appointed in every ministry and department for redressal of public grievances in the Central government. The time limits for disposal of public grievances have been specified and software has been developed for computerized, web-enabled and networked monitoring of public grievance redressal mechanism.

A compendium of guidelines has been published in this regard. Similarly, a Standing Committee of Secretaries to Government of India

has been set up under the chairmanship of the cabinet secretary to monitor the public grievance redressal mechanism of the Central government. At the State level, States like Madhya Pradesh, Tamil Nadu and Uttar Pradesh have made institutional arrangements to monitor the redressal of public grievances by Chief Minister's Secretariat. Likewise, Andhra Pradesh, Assam, Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu and Uttar Pradesh have started special programmes and campaign for taking administration to the people. Delhi has set up a Public Grievance Commission and Assam and Madhya Pradesh have also set up a separate department for the same.

c) Reviews of Laws, Regulations and Procedures

The existing laws, regulations and procedures are to be reviewed, amended, modified and reformed in order to make them simpler. The Action Plan provides for Centre and States to look into the repeal of obsolete laws, reduction of time and cost for the disposal of cases in civil and criminal courts and easy practice of approvals, sanctions and issue of permits with a view to improving service delivery. A Commission was set up under the chairmanship of Shri P C Jain for reviewing the steps taken by different ministries and departments in this regard. The Commission made certain recommendations relating to amendments and changes in the laws, regulations and procedures; repeal of dysfunctional and irrelevant laws; documentation of laws and subordinate legislations, executive orders, instructions and circulars; and simplifications and consolidation of rules, regulations and orders. The ministries and departments have made attempts in this regard by modifying and amending various Acts and laws. The outdated laws have been repealed. The Department of AR & PG monitors the review of such rules and regulations by ministries and departments on a regular basis. The P C Jain Commission reviewed over 2500 laws and recommended i repeal of about 1400 laws and amendments to about 24 1 laws. The follow up action has been taken up under the supervision of a Standing Committee.

d) People's Participation: Decentralization and Devolution of Powers

The Action Plan provides for the decentralization and devolution of powers. This will include people's participation consistent with the 73rd and 74th Amendments of the Constitution, involvement of the people and voluntary agencies in the delivery of services, and devolution of administrative powers. People's participation has been ensured by providing constitutional status to the PRIs in the country. Elections are conducted for these bodies. There are around 2.5 lakhs Panchayats, of which about 2.25 lakhs are Cram Panchayats and they have elected approximately 3.4 million representatives at all levels. The urban local bodies have also been accorded similar status. With the Extension to the Scheduled Areas Act, 1996, the provisions of the 73rd and 74th Act have been extended to the tribal areas of 10 States and all these States have enacted legislation to give effect to these provisions.

Transparency and Right to Information

This provision in the Action Plan entails freedom of information to the public. This will include amendments to the Official Secret Act, 1923 and Indian Evidence Act. The Freedom of Information Act, 2003 has been passed. The Act seeks to provide freedom to every citizen to secure information under the control of public authorities. It seeks to make government open, transparent, responsive and accountable to the people. This Act provides easy access to the people to all information relating to government activities and decisions except matters relating to national security. Most of the States - Goa, Karnataka, Maharashtra, Delhi, Rajasthan and Tamil Nadu- too have legislated the Right to Information. Information and Facilitation Counters (IFCs) have been set up by ministries, departments and organisations with large public interface in areas such as land records, passport, investigation of offences, administration of justice, tax collection and administration, issue of permits and licenses etc. information and Communications Technology based public service delivery has helped in promoting accountability and transparency in administration.

Improving the Performance and Integrity of the Public Services

The Action Plan aims at improving the performance and integrity of the civil services. The civil servants are to adhere to ethical standards and be committed to basic principles of the Constitution such as secularism, social justice, rule of law.

Amendment to the existing provisions for the prosecution and removal of corrupt officials as well as reward to the employees for doing good work is being taken up. The CVC has displayed on its website the names of various senior officials for whom it has recommended action for corrupt practices. Some of the States that have reported strengthening of vigilance procedures are Xarnataka, Kerala, Maharashtra, Nagaland, Uttar Pradesh and West Bengal. The strengthening of the investigation agencies and vigilance machinery, such as, Lok Ayukta, CBI, CVC, Income Tax authorities, Enforcement Directorate, and revamping of existing procedures for departmental queries and vigilance proceedings have enabled in improving the integrity of public services. In this connection recently, CVC has been set up as an independent and autonomous body by executive order. The provisions of giving statutory status are still awaited and the bill is pending in the Parliament. The Rajya Sabha passed the central vigilance commission bill conferring statutory status on the CVC to probe offences committed by central public servants, corporations, societies and local authorities. It provides for the CBI to obtain approval of the government before conducting any inquiry into an offence committed by officers of the rank of joint secretary or above in any government department or PSU.

The Bill passed by the Lok Sabha in Feb. 2003, provides for appointment of a CVC and not more than four vigilance commissioners. CBI and Enforcement Directorate have been brought in its purview in matters pertaining to investigation cases of the public servants. This will help in strengthening the vigilance machinery and provide for close networking of various related agencies. At the Union level, the Lokpal Bill proposes to deal effectively with corruption in high places and the nexus between

politicians, civil servants, businessmen and criminals. The bill is pending before the Parliament. Several States, like Assam, Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh and Delhi, have already set up the corresponding institution of Lok Ayukta. A Code of Ethics has been drafted by the Government of India to improve the integrity of the civil servants. This will be in addition to the existing Conduct Rules. The State governments of Gujarat, Madhya Pradesh and West Bengal are also drafting Code of Ethics for civil servants. Likewise, providing institutional arrangements to look into the postings and transfers of officials to prevent political interference is being worked out. The Central government has set up a Civil Services Board to process proposals for the postings and transfers of the officials of the level of deputy secretary, director and joint secretaries. This will curb the practice of frequent and arbitrary transfers of the public servants. Many of the States have also laid down the transfer policy pertaining to the civil servants.

Fifth Pay Commission, 1997

The Commission was established under the chairmanship of Mr. Ratnavel Pandian. The Commission, are effect, became more than a conventional Pay Commission, and went into major issues of administrative reforms. The Commission observed that the entire machinery by staff, determining the size of the ministry department, no file movement beyond three hierarchical levels for a decision to be taken, injection of the concept of multiskilling at the Group D level and abandoning of the centralized planning model.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. Explain the major recommendations of the ARC?

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2. Why was the Kothari Committee constituted?

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10.6 EVALUATION OF RECENT REFORMS

At the Central level, various ministries and departments have been slow in implementing the reforms. The citizen's charters lack quality, as many of the ministries and departments have renamed their information brochures as charters. The citizens as well as the employees also seem to be unaware of the charters. The computerization and networking is yet to be fully implemented by the I Centre and the States. The review of laws has not been taken up at the required pace. The Lokpal Bill is lingering in the Parliament. The Department of AR&PG found that many of the Information and Facilitation Counters set up by the ministries and departments are non-functional. The code of ethics is yet to come up. The voluntary retirement scheme has also not been properly taken up. At the State level, much is left to be achieved. The Right to Information Act has been place in several States, but it has not been properly implemented. Nothing has been going beyond the 73rd and 74Ih constitutional amendments. The States have not implemented the constitutional amendments in letter and spirit. As a result, decentralization has suffered a setback. The States have not adequately streamlined the function of the panchayats. In some States more powers has been vested with the district and intermediate levels whereas in some States more have been given to the gram panchayats and the intermediate levels and not to the district level. The States have not provided these bodies with adequate staff and finances in relation to the subjects allocated to them. Again, the district planning committees have not been set up by a number of states. The gram sabha are not fully empowered as their powers and procedures have not been properly laid down. The

urban local bodies have lost their importance due to the multiplicity of corresponding institutions that have come up to carry out varied functions pertaining to housing, urban regulation, water and sewerage, and power distribution. Also, there is dearth of resources, which creates problems for rendering better services.

10.7 MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES, AND PENSIONS

A Department of Administrative Reforms was set up within the Ministry of Home Affairs in March 1964 to suggest reforms and conduct studies on all aspects of administration relating to the organisation, methods and personnel.

The Department of Personnel and Administrative Reforms was elevated to a full-fledged Ministry of Personnel and Training, Administrative Reforms, Public Grievances and Pensions in March 1985. On December 10, 1985 this Ministry underwent further change in its nomenclature and was re-designated as the Ministry of Public Grievances and Pensions with three departments namely, Department of Personnel and Training (DOPT), Department of Administrative Reforms and Public Grievances and Department of Pension and Pensioners' Welfare. A major highlight of this arrangement was that, firstly the Ministry was placed her overall charge of the Prime Minister assisted by a Minister of State. Secondly, the subject of public grievances was added to Department of Administrative Reforms. This allocation was effected under the rationale that it would provide a closer and integrated view of the inadequacies of the administrative system that gives rise to grievances, on the one hand, and how the administrative machinery could be made adaptive to the changing requirements, on the other. Thirdly, a separate Department was created to handle the subject of Pension and Pensioner's Welfare. We will be basically concentrating on the functions of the Department of administrative Reforms and Public Grievances. Functions of the Department of Administrative Reforms and Public Grievances With the

creation .of the Department under the Ministry in 1985, the following tasks were assigned to it:

- Matters pertaining to the conduct, coordination and evaluation of administrative reforms.

- Matters pertaining to organisation and methods.

- All policy matters and issues relating to the redressal of public grievances in general and grievances pertaining to the Central government agencies in particular.

The functions relating to research in personnel administration, liaison with State governments and professional institutions in personnel matters was transferred to this Department in 1989 from the Department of Personnel and Training.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. What are the three components of the Action Plan?

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2. Briefly describe the functions of the Department of the Administrative Reforms and Public Grievances.

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10.8 LET US SUM UP

Administrative reforms are vital for the sustenance of the government machinery. The focus on good governance today has necessitated reforms in government as well as in administration. The Government of India undertook reform measures since independence. Various commissions and committees were set up to suggest reforms in the administrative system, organization, methods and procedures. One of the

important commissions to suggest reform was the ARC, which made recommendations covering the entire gamut of administration at the Centre and States.

Major reforms in the recent years pertain to the implementation of the Action Plan on Effective and Responsive Government. There are three vital components of the Plan that aims at making administration responsive and citizen friendly, transparent with the right to information, and improvement of the performance and integrity of the civil services. The Centre and States have implemented the Plan to a certain extent. More steps in this regard are on the anvil. The Department of Administrative Reforms and Public Grievances is the nodal agency of the GOI for administrative reforms as well as for redressal of public grievances.

The public administration literature in the context of the major changes which have occurred in each of those fields since the 1940s. Major changes include: the alleged shift to 'globalization' affecting comparative public administration; the spread of 'economic rationalism' in policy analysis; the new wave of 'managerialism' affecting the study of the public service; the transformation of administrative technique by 'informatization'; and the rise of legal formalization in some fields redrawing the traditional boundary. Ones judge between law and administration. For each of these subfields of public administration, three types of 'emerging issues' are identified. Some of the trends discussed - particularly managerialization and humidification - seem to be in tension with one another, suggesting alternative possible futures for public administration. Moreover, since many of the intellectual and doctrinal shifts seem to reflect a reaction against the shortcomings of an earlier orthodoxy, a counter-reaction in the longer run cannot be ruled out.

10.9 KEY WORDS

DOPT: Department of Personnel and Training

GOI: Government of India

CVC: Central Vigilance Commission

ICT: Information and Communication Technology

10.10 QUESTIONS FOR REVIEW

1. Explain the meaning of administrative reforms?
2. Discuss the need for administrative reforms?
3. Explain the major recommendations of the ARC?
4. Why was the Kothari Committee constituted?

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10.12 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1) See Section 10.4
2) See Section 10.3

Check Your Progress 2

1) See Sub Section 10.5.8

2) See Sub Section 10.5.9

Check Your Progress 3

1) See Section 10.6

2) See Section 10.6

Check Your Progress 2

UNIT -11: GENERALIST-SPECIALISTS: COMPLEMENTARITY AND COMPATIBILITY

STRUCTURE

11.0 OBJECTIVES

After finishing up this unit we can able to understand:

- To know about the Generalist-Specialists;

- To make the Difference between a Generalist and specialist;

- To discuss the Complementarity and Compatibility.

11.1 INTRODUCTION

Corporate development occurs more hastily year after year, consequential in new specialized fields springing up – ripe for those with specific skills. But should we expect deep-learners and go-to experts to

spike in demand and take over, or is there still a place for proficient generalists who can wear different hats at any given time?

Though the specific explanations will vary across trades, both relate to how vast or specific your information is, across either a narrow region or a multitude of skills. Knowing how to distinguish a professional from a generalist can help you suitably train for and land a job, advance your career, or hire the right people for your company.

Specialists focus in on one distinct job for a defined industry, sector or market. Their knowledge is specific but very deep. Specialists thrive in companies that hired them to be their gurus about a new process, law, or technological development. New developments for any industry can be challenging for others without a specialist's profound expertise in it, so specialists often come in from backgrounds with extensive experience doing just one thing. In sales, an employee may be a dedicated business-to-business specialist, or may be highly skilled in online sales, for example. In short, specialists know everything about something but not something about everything in a defined field.

If specialists are the subject experts, generalists are considered the jack of all trades. Though they don't dive as deep on subjects as specialists, a generalist's strength is being knowledgeable about all the moving parts of an industry. Generalists can often be great at negotiating between different departments because their knowledge base encompasses a much wider range. Great examples of generalists are salespeople who perform equally as good across business-to-consumer sales, business-to-business sales, internet sales, and whatever other branches of sales their company covers. In a nutshell, generalists know something about everything but not everything about something.

It's important to note, whether a worker is a generalist or specialists depends heavily on the company they work for. If an employee is a generalist when it comes to IT knowledge but works for a company unrelated to IT, they can be considered a specialist simply because their knowledge is specific to technology and not as relatable to other operations. Conversely, that same IT worker could be called a generalist in an IT firm due to his or her wide base of knowledge of the industry. Therefore, when learning the tools of the trade or developing your skills,

it's important to know where you want to go with your expertise, no matter what you are considered within your field.

Since both specialists and generalists are important for businesses to succeed, there's no simple answer to this. However, the skills you possess can help you find the right position in a company. Recognizing your talent and abilities is the first step to figuring out where you best fit.

If your skills are specialised, you're probably more geared for a job at a bigger firm where your expertise stands out from your peers who can handle the broader tasks within that field. You can be hired at smaller companies for specific jobs as well, depending on what you do. For generalists, your role at a small business could be essential to keep it running, as your array of skills matches the quick flexibility needed for the company's success. At big firms, you can also assume more managerial roles because of your ability to communicate across departments.

Regardless of whichever you are, our Salary Benchmark Report 2019 for Australia is a great place to figure out where you fit best in an industry. In each role across the industries that were studied, demand was rated "high" across the board, so no matter what skills you have you're likely to find a suitable position out there, whether you're a specialist or generalist.

By focusing on resource-based view (RBV) and dynamic capability view (DCV), a target firm can be assessed for its complementarity and compatibility by the alliance-initiating firm to form a strategic technology alliance. This is because complementarity and compatibility among the partner firms affect the alliance performance. By reviewing the empirical findings on innovation through strategic alliances, this paper helps to classify various innovative capabilities possessed by a target firm as measures of complementarity or compatibility. This classification has several implications for researchers and practitioners dealing with the problem of partner selection for innovation in strategic alliances.

11.2 GENERALIST-SPECIALISTS

A **generalist species** is able to thrive in a wide variety of environmental conditions and can make use of a variety of different resources (for example, a heterotroph with a varied diet). A **specialist species** can thrive only in a narrow range of environmental conditions or has a limited diet. Most organisms do not all fit neatly into either group, however. Some species are highly specialized (the most extreme case being species that can only eat one specific type of food), others less so, and some can tolerate many different environments. In other words, there is a continuum from highly-specialized to broadly-generalist species.

Generalists such as raccoons are sometimes able to adapt to urban environments.

Omnivores are usually generalists. Herbivores are often specialists, but those that eat a variety of plants may be considered generalists. A well-known example of a specialist animal is the Monophagous koala, which subsists almost entirely on eucalyptus leaves. The raccoon is a generalist because it has a natural range that includes most of North and Central America, and it is omnivorous, eating berries, insects, butterflies (Hackberry Emperor, for example), eggs and small animals.

The distinction between generalists and specialists is not limited to animals. For example, some plants require a narrow range of temperatures, soil conditions and precipitation to survive while others can tolerate a broader range of conditions. A cactus could be considered a specialist species. It will die during winters at high latitudes or if it receives too much water.

When body weight is controlled for, specialist feeders such as insectivores and frugivores have larger home ranges than generalists like some folivores (leaf eaters). Because their food source is less abundant, they need a bigger area for foraging. An example comes from the research of Tim Clutton-Brock, who found that the black and white colobus, a folivore generalist, needs a home range of only 15 ha. On the other hand, the more specialized red colobus monkey has a home range of 70 ha, which it requires to find patchy shoots, flowers and fruit.

When environmental conditions change, generalists are able to adapt, but specialists tend to fall victim to extinction much more easily. For example, if a species of fish were to go extinct, any specialist parasites would also face extinction. On the other hand, a species with a highly specialized ecological niche is more effective at competing with other organisms. For example, a fish and its parasites are in an evolutionary arms race, a form of co-evolution, in which the fish constantly develops defenses against the parasite, while the parasite in turn evolves adaptations to cope with the specific defenses of its host. This tends to drive the speciation of more specialized species provided conditions remain relatively stable. This involves niche partitioning as new species are formed, and biodiversity is increased.

11.2.1 The Generalist At Work

Given their broad knowledge of a lot of subjects, generalists tend to have loosely defined roles, with elastic KPIs, within organizations. For instance, a general medicine practitioner might attend to patients of varying age groups, presenting with a broad range of symptoms.

The good part about being a generalist is that a wide variety of skills offers greater scope to market oneself and ensures better job chances. Given today's gig economy, generalists can take up multiple freelance jobs as 'career flexibility' is one of their strongest suits. On the corporate front, as the world becomes increasingly interconnected, organizations are valuing generalists for their ability to multi-task, see the bigger picture, and work with different departments to solve issues. Generalists also have more transferable skills - a critical aspect in ensuring business scalability.

The biggest disadvantage of being a generalist, however, is the trade-off between depth and breadth. Having knowledge of several things prevents one from mastering a single discipline to the best extent possible. This makes generalists more replaceable on job and breeds job insecurity.

11.2.2 The Specialist At Work

Naturally, it takes more time to be a specialist in any discipline and that's the reason specialists often earn more, even at entry level jobs. They have tightly defined job roles and organizations often employ fewer specialists than generalists, meaning that the dependence on specialists is way higher, making them more valuable and difficult to replace. Over time, specialists have the potential to become thought leaders in their area of expertise, making them highly sought after professionals. Is there a flip side in being a specialist? Yes, and factors such as career inflexibility, limited opportunities pool, and the fear of being replaced by robots and other emerging technologies looms large for specialists.

11.2.3 Who Will Rule The Future Of Work?

Do employers prefer specialists or generalists? While most would answer 'it depends' when faced with such a question, the reality is, adopting a middle path might lead candidates to a better difficulty. T-shaped employee skill set – a combination of generalist and specialist skills is increasingly becoming the go-to choice for employers as a best of both worlds solution. The horizontal top line of the T represents generalist skills and capabilities, while underneath it,the vertical line represents the ability to deep dive and specialize in a particular aspect. The future of work will be dynamic. The most important skill for jobs in India will be the ability to unlearn and relearn constantly and a T-shaped skill set will prove to be ideal in helping one do just that.

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. Write about generalist species?

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2. Discuss about the specialist at work?

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3. Who will rule the future of work?

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11.3 DIFFERENCE BETWEEN A GENERALIST AND SPECIALIST

A 'generalist' means an amateur administrator who had education in linguistics or classics and is a highly intelligent man with certain personal qualities of character.

The Indian Institute of Public Administration conference on Public Administration defined generalist officer as a bright young man who has received a liberal college education in any subject.

He is appointed at the middle level supervisory post for which no educational qualification in technical or professional subjects is prescribed. He receives some initial training in the field and in due course of time is appointed to higher administrative positions irrespective of his previous experience and training.

A 'specialist' is an expert who has devoted time and studies to a special branch of learning and has acquired specialized experience in tackling problems of particular subjects or areas. He is excluded from posting in areas where his specialized knowledge or training does not find direct application.

The present administrative system in India, as in Britain, is by and large generalist dominated in which policy-making and top administrative posts are occupied by generalist administrators belonging to IAS & State administrators in states.

The specialists work within their specialized area or department and man the technical posts. They give the technical advice to the generalist administrators at the top.

The major arguments in favour of generalists are:

The philosophy of Macaulay Report (1854) and Northcote-Trevelyn Report (1853) states that a person with liberal education and varied multifunctional experience is much better than the specialist who has deep knowledge of a very narrow field

- It comes in direct contact with grassroots administration.
- Administration in India is organized on area basis and it requires a generalist officer to coordinate the activities of various departments.
- By their education, training and experience, generalists have a broad view of problems facing the society; which the specialists lack.
- In a parliamentary democracy, ministers need a generalist to advice in policy matters as he is responsible to parliament and has to work for party.
- In USA, the specialists in their administration are facing the need for generalist coordinator.
- At higher level of administration, very little technical knowledge is required.
- When the specialists are required to do the job of a generalist, they lost both worlds. They neither remain specialists nor do they become good generalists.
- In any decision making process, technical inputs are taken from only a small part. Other matters like financial, administrative, political, legal etc. are more important. Generalists having a broad background of working in various departments are better suited to these jobs.
- In India, generalists are woven in entire fabric of administration and provide the necessary extension to its working.

The arguments in favour of specialist are:

(i)   In the colonial period or even during early independence period the administrative tasks were relatively simple. But now it has become complex and cannot be comprehended by generalists,

(ii)   Specialists feel that generalist subjects not required intervening between them and ministering.

(iii)   In fact specialists have better knowledge of t subjects and can explain it better to the minister,

Generalists always depend on advice of specialists

The ARC of India (1969) recommended that the senior posts in functional areas should be held by specialist and non-functional posts should be thrown to all the cadres including specialism and generalists.

Way Out

The most important question is: what is the way out of this situation? No country can afford such a w between generalists and specialists. Some solutions are may be as follows:

(i)   Better status may be ensured for specialists by creating more All India Services and Class-I cent services;

(ii)   Appointment to top posts should be denied to specialists,

(iii)   Creation of parallel hierarchy (as in Australia) where both enjoy similar pay scales and status,

(iv)   Creation of unified civil service. In this system, at lower level the services should be organized technical lines.

Relations with Political Executive

The principal functions of political executives are planning, policy formulation, decision making in important matters, supervision and evaluation of the implementation of policies, structuring the organization, direction, budgeting and public relations.

They also make appointments to top posts. In brief, they shoulder the burden of the government and perform the tasks of chief executive. The

Minister who is a part of the Parliament and is jointly and individually responsible to the parliament, but not to the bureaucrats.

In these functions, political executives are assisted by permanent executive (bureaucracy) headed by the secretary. The secretary provides necessary information and analysis to enable the minister to formulate the policy. Therefore, the policy formulation is a collective process between these two.

The minister is a professional politician who brings to his office knowledge of what the people expect from the government and what they would not stand. The secretary, on the other hand, is a permanent Civil Servant, who possesses the wide administrative experiences.

There are three important differences: Indian model and Western Model of ministerial responsibility,

(i) Unlike Britain, in India the doors of civil service at the high levels are not open to all irrespective of; considerations other than merit,

(ii) The British Civil Servants acted under the control and subordination of elected representatives of the people; in India bureaucrats reigned supreme,

(iii) In Britain the responsibility for both the formulation and implementation of policy is vested in the hands of the political executive, which "decides orders and authenticates", but in India, there is a dichotomy in the matter.

In Britain a minister cannot turn around and blame his Civil Servants for the failure of the policy implementations; and the minister listens with care the advice of Civil servants. But in India, there is a growing tendency to either discourage or ignore civil servants from giving advice.

The Weberian model established by the British government in India has broken down in actual practice and there is hardly any use in chanting the virtue of this model now.

During the early days of independence some of the officers had entertained somewhat strange views about their own position in the newly emerging administrative set up and found it difficult to act in complete harmony and cooperation with the political elements in the government. The then Finance Minister T.T.Krishnamachari had to resign though he had no knowledge about LIC miss-appropriation case. Sardar Patel sought voluntary retirement.

The then Home Minister Gulzari Lai Nanda complained to Nehru that he was not getting full cooperation from his secretary L.P. Singh. But the Prime Minister did not change the secretary and Nanda resigned.

Reason

The most important reason for such conflict is that either one or both of them wish to transgress their limits. Minister being a political figure cannot give detailed attention to the government work and on the other hand, did not give full freedom to secretary on policy and decision making matters.

The secretary should ideally be left free to express himself. The final decision has to be taken by the minister, as he is responsible to the Parliament but not the secretary. Another reason is minister's lack of technical knowledge or mind to accept the reality of the matter.

Minister wants to interfere in day to day working of the department, even in petty transfers and postings, bypassing the secretary and head of the department. Today ministers desire that the advice of the secretary should be according to their liking so that they can be held responsible for every decision.

Being political persons, many ministers want their secretaries to take decisions, which are contrary to rules, regulations and laws. Even many secretaries do not coordinate with their ministers and do not comply with the orders lawfully passed by him.

In coalition government or even in one party government where factionalism prevails, some secretaries tend to play one minister against the other and some secretaries often adopt a very rigid attitude and do not take a human view of various situations. They tend to follow rules and regulations strictly.

Some people hold the view that the bureaucrats should keep fighting against questionable decisions, irrespective of consequences.

They argue that the bureaucracy is required to act in accordance with the constitution and the laws of the land and that they must not go by such orders if their ministers or high officers which, in their view, run counter to the constitution and spirit of these enactments.

In this context what will happen to a bureaucrat who gets thrown around because of controversies with political executives and what kind of stability would his family enjoy? One can give a thought to Ram Jethmalani's idea of establishing transparency by making all files except those pertaining to defense strategy and criminal intelligence, open to public view.

To pull the bureaucracy out of it's spineless, let us set up some procedures and forums, which would afford relief to a bureaucrat who seeks justice and compensation for having been unfairly discharged and penalized for expressing his views fairly and frankly without thinking of whether or not those would find favour with his seniors or political masters.

Generalist	Specialist
A generalist species is a species	A specialist species is the opposite

that generally has a wide range of things in their diets as well as a relatively large area of habitat.	of the generalist in the fact that specialists require a very certain type of food or can only eat a very small range of things, and usually has a very specific list of things needed in its habitat.
Raccoons are a very good example of a generalist omnivore because they eat a wide variety of things and have a very large area in which they live.	Specialist species are generally not omnivores because they only eat a specific thing or a few specific things.
Coyote is a great example of a generalist carnivore because they eat pretty much anything with meat on its bones that they can kill or find somewhere in the woods they also live in a very large area.	The Venus flytrap is a good example of a specialist carnivore because they can't move at all to hunt for food and they can only consume insects and small frogs and lizards that walk on their mouth/trap.
The whitetail deer is an example of a herbivore generalist because they have the biggest distribution than any other large mammal in North America they also are able to eat a pretty wide variety of plants and trees.	Pandas are an excellent example of a herbivore specialist because they have a specific niche that they live in and their diet consists only of bamboo.
A generalist is decided on the area in which they live and what their diet consists of; generalists usually aren't picky eaters, and can eat a wide variety of things, as well as having a large area in which they inhabit.	Specialists are also decided in the same way and with the same features what they eat and how big of an area they inhabit; specialists usually do not eat a wide variety of things and do not inhabit a big area.

In the debate on Generalists vs. Specialists in the Indian administrative system one has to be clear about the definition of the terms. A generalist

is one who has knowledge of the technique of the processes involved in a factory or a technical undertaking or in administration but he is not an expert. A specialist or an expert is a man whose special training makes him an authority in a particular field. Whereas the concern of the expert is with the "particular", the distinguishing feature of an administrator is the element of "generality". The expert is a specialist in knowledge and in action; the administrator must be a generalist in knowledge and in action. The problems of defining the respective roles of the specialist and the generalist in an administrative system become acute at or near the top of the hierarchy deepen as the functions of government expand, and become crucial in a government committed to direct participation in securing rapid economic growth.

British administrative class and the ICS have truly embodied the principle of the generalist in governmental administration. The instrument of a laissez-faire government at home and a colonial administration in the Empire, the administrative generalist was both a product of and suited to the objectives of a law and order, revenue-collecting government. By education, training and experience he was deliberately made non-specialized. His functions were to limit the role of government, to promote stability by minimizing change, to coordinate the activities of government. His major administrative tasks were the "rules" and the "files". The use of the specialist in government finds its most vigorous expression in the American Civil Service. The skills needed to administer a vast continent, to develop its natural resources, to promote social and economic growth were specialized skills. The staffs of governmental agencies were accordingly recruited as specialists, each group highly committed to the importance and relevance of specialization. These agencies were led by specialist administrators. No class of generalist administrators was interposed between the specialist and the "political" executives and the legislators who supervise them. Coordination was achieved by statute, by budgets, by Presidential supervision and by Congressional vigilance; in essence, coordination by 'rules and files' was subordinated as a goal to the more preferred

objectives of experiment, competition among specialists and innovation in policy and procedure.

The preceding observations are brief and over-simplified. Each of these systems, of course, makes some efforts to accommodate the rival claims of the generalist and the specialist. The specialists in the British system have made some notable recent gains in science agencies, in public enterprise agencies, in the welfare agencies. In the U S the generalists struggle for greater recognition and have gained a little. A generalist service recruited by competitive examination and known as the Junior Management Service has been created. Other administrators are recruited departmentally. The recommendation of the Hoover Commission for the creation of a Small Senior Civil Service Cadre has not been accepted. "But the fundamental contrast remains; in Britain the generalist administrator is on top, the specialist is on tap to the generalist, while in the U S the specialist is on top while the generalist is on his tap." The suitability of each of these models in the context of Indian administrative system will be discussed in this paper. Before that we will analyses the developments which have led to the debate on the specialist versus the generalist in administration in advanced countries and in the developing economy of India.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. What are the differences between a Generalist and specialist?

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11.4 COMPLEMENTARITY AND COMPATIBILITY

11.4.1 Criteria Used To Consider External Partners

Development and securing the relationship with external parties are regarded as the primary challenges for OI managers who have multiple

choices of partners with heterogeneity in profiles and characteristics available in an OI market (Mina et al., 2014; Chesbrough and Crowther, 2006). Some researchers attempt to organise the categories of partners e.g. Belderbos et al. (2014) have distinguished three types of partners including intra-industry partners, inter-industry partners and universities. Du et al. (2014) introduce two categories of science-based partners (e.g. universities and knowledge institutes) and market-based partners (e.g. customers and suppliers). Gassmann and Enkel (2004) highlight that all three modes of an OI process including inbound, outbound and coupled start from scanning available external resources and knowledge in a dynamic technology market. However, the success of collaborative innovation development does not depend only on the efficient integration of internal and external technology. The alignments of non-technology variables e.g. strategic objectives, organisational culture and protocols, innovative environment etc. are also the determinants for successful collaboration. This variety of partners and success factors leads to the demand of multi-criteria formulation among innovative firms. The different sets of criteria for partner selection have been found in an OI literature. Some researchers use only technical criteria to evaluate. For example, Park and Yoon (2013) propose the identification of missing relevant patent links by employing multi-stage patent citation analysis as the approach to screen potential partners. Yoon and Song (2014) use the number of patents held and the number of co-assigned patents held as the measurement of two criteria of technological capability and cooperative capability. Wang (2012) propose the way to explore potential partners with technological complementary by investigating patent documents related to a firm's new products.

However, some researchers add another set of non-technical criteria to consider candidate partners. For instance, Guertler et al. (2015) propose the way to screen candidate partners for an OI project by determining 13 attributes which are grouped as three sets of general partner (i.e. affiliation to company, size of partner and locality) , strategic (i.e. interests in product/project, attitude to product/project, type of partner, cooperative capability and influence on product/project) and technical

(i.e. product experience, expected knowledge maturity and expected capabilities of abstraction) criteria. Emden et al. (2006) introduce three phases of alignments including technological (i.e. technical ability, technical resource and market knowledge complementarity and overlapping knowledge base), strategic (i.e. motivation correspondence and goal correspondence) and relational (i.e. compatible cultures, propensity to change and longterm orientation). Paixao Garcez and Sbragia (2013) introduce two sets of task-related factors (i.e. technological complementarity, market complementarity, financial resources demand of the project, duration of the project, and risk of the project) and partner-related factors (i.e. past experiences, trust, convergence of expectations between partners, and organisational culture similarity) as the criteria used to select partners. In the business application, OI firms use both technical and non-technical criteria to consider candidate partners. For example, Apple screened outside alliances to co-create its new CPU based on three criteria of technological capability to develop RISC CPUs, established brand to ensure software developers' support and mass product capabilities and its comparative evaluation result revealed that Motorola and IBM won (Golnam et al., 2009). From discussions above, both scholars and practitioners attempt to organise a scattered set of criteria to get a specific one to evaluate multiple alternative partners available in a technology market in order to obtain the well-matched ones as the ultimate goal. Therefore, the structural organisation of criteria set is truly matter when mangers need the clear identification of 'well-matched' partners. Mitsuhashi and Greve (2009) apply the standard matching theory to the establishment of alliance. They regard the complementarity and compatibility in resources and expertise as the antecedents to explain the appropriateness of potential partners. Earlier, Sarkar et al. (2001) conduct an empirical study of alliances in construction domain and find that complementarity in resources (complementarity in technological resources and capability) and compatibility in cultural and operational norm (compatibility in relational dimensions) affect the alliance performance.

Tanriverdi and Venkatraman (2005) give the definition of the term complementarity as "complementary resources are not identical, but they are interdependent and mutually supportive". The collaboration is emerged by the complementarity of partnering firms. For example, Rothaermel and Boeker (2008) find that established technology firms (pharmaceutical sector) prefer to cooperate with new technology firms (biotechnology sector) who possess the complement competencies. According to the work of Mitsuhashi and Greve (2009), managers can estimate the compatibility through matching quality from the similarity of capabilities and value creation from the combination of these shared capabilities. Moreover, the use of similar resources like sharing common knowledge base can foster an effective alliance even partnering firms reside in different but related sectors (Lane and Lubatkin, 1998; Xia and Roper, 2008; Bianchi et al., 2011). While research on how complementarity and compatibility dimensions affect alliance outcomes has been found as previously discussed, the quantitative studies of how managers balance these two dimensions in the requirements of candidate partners and the effects of varying proportions of these two dimensions on the alliance performance receive considerably less attention.

Vilkamo and Keil (2003) conduct multiple case studies of strategic technology partnerships in the mobile phone sector and find that alliance with no compatible visions of the future in the technology area leads to a technological obsoleteness and partners with adequate level of complement competencies in the technology enable host companies accelerate the technology development. This Figure 11.1 below is our conceptual framework illustrating the managerial perspective of how to classify a wide range of criteria into complementarity and compatibility dimensions. The roles of each dimension on OI partner selection decision are described in the next section.

Figure 11.1: Conceptual framework
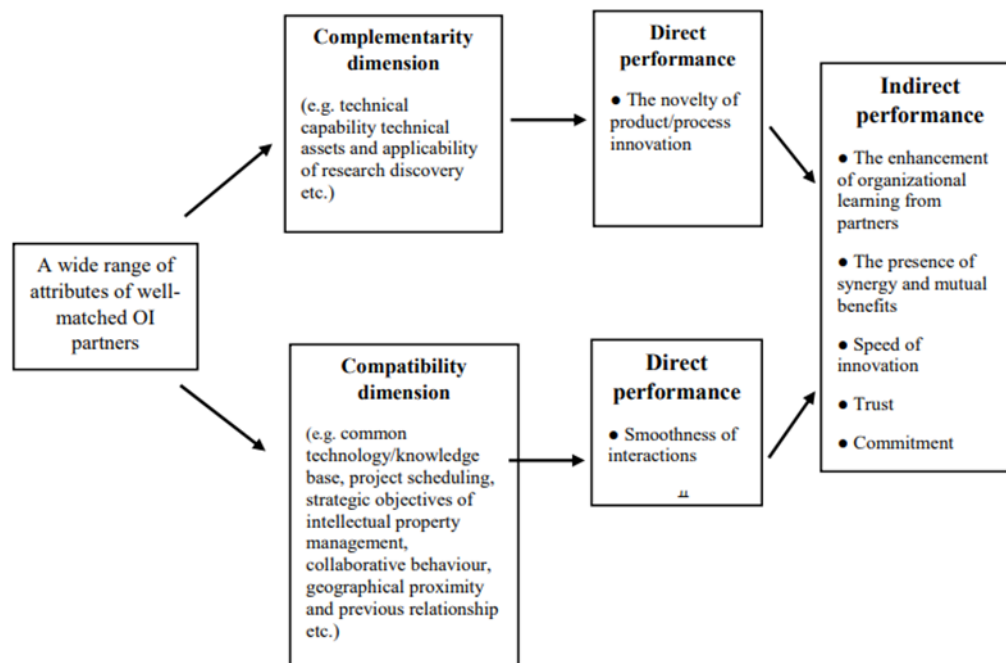
11.4.2 The Complementarity And OI Partner Selection Decision

Organisations seek partners who contribute complementary resources and capabilities to overcome the obstacle of incomplete array of internal resources as well as to maximise synergy and mutual benefits (Kwon, 2008). There are case evidences to demonstrate that OI firms seek the complementarity in those of external partners. For example, Volvo's Wireless Car is joint project between Volvo, telecommunication equipment manufacturer, and Swedish telecommunications operator with the goal to improve its 'Volvo Action Service' services (Kuschel et al., 2010). Proctor and Gamble established an internal unit called technology game boards to identify external technologies needed to license in or joint develop innovation with outside partners (Huston and Sakkab, 2006; Lafley, 2008). One of leading airplane manufacturer, Embraer, realised the benefit of an unfulfilled market and invited multiple strategic partners to engage in the functions of design and building its new airplane (Muller et al., 2012). Douma et al. (2000) exemplify the joint venture between two leading medium speed diesel engine companies Stork Werkspoor Diesel and Wärtsilä Diesel. Dutch's Stork Werkspoor Diesel has strong international service network outside Scandinavia

market but it has poor financial status while Norwegian Wärtsilä Diesel has powerful technical capability and financial resources but it lacks an international market for its business expansion. To outperform in an intense competition, both firms complement one another with technical expertise, market knowledge and financial resource to produce medium speed diesel engines for an international market and this collaboration is very successful. Moreover, P&G invites worldwide talents to its established units of technology entrepreneur and research fellows contributing innovative ideas and knowledge for continuous innovation development. Dell closely works with Intel on future technology planning and they commit to share all of experimentation failures throughout the period of joint-developing a new motherboard project (Chesbrough, 2013b). These examples describe the practices of inbound mode as the ways to access external complementary resources and capabilities. In addition, some firms adopt an outbound mode (i.e. commercialising internal technologies to the market) to absorb new market knowledge (e.g. other firms' technology portfolios) from entering technology markets and networks (Kutvonen et al., 2010).

11.4.3 The Compatibility And OI Partner Selection Decisions

Chesbrough and Appleyard (2007) state that OI managers should concern two major questions of

1. how to foster and maintain the participation and the contribution from outsiders
2. how to smoothly run an open innovation project.

Therefore, the complementarity of external resources potentially synergizes the novelty of product/service innovation but it cannot guarantee the smoothness of interactions throughout the course of an OI project. Compatibility between partners becomes an indicator of the stability and organizational harmonization of a strategic alliance and it generates trust and commitment (Kwon, 2008). Also, Leischnig et al. (2014) state that organisational compatibility supports the creation of relational rents from complementary assets and the capitalisation on

complementary capabilities. From literature, many OI studies attempt to understand the compatibility dimension as the pillar of orchestration by investigating the strategic-oriented decisions on both technical compatibility (e.g. the use of advanced technologies to facilitate interactions within OI networks and the relatedness of established technology of each partnering firms) and non-technical compatibility (e.g. formal vs. informal protocols, the degree of openness and the policy of complementary resources contribution) (Laursen and Salter, 2006; Almirall and Casadesus-Masanell, 2010; West and Gallagher, 2006; Dodgson et al., 2006; Kuschel et al., 2010; Ades et al., 2013; Schartinger et al., 2002; Rufat-Latre et al., 2011).

11.4.4 Discussion And Managerial Implications

This paper describes the complementarity and compatibility in external resources and capabilities with OI partners. Managers should utilize both dimensions to organise a set of criteria for partner selection in OI projects. Our discussion devotes two managerial implications as these followings. First, most firms today are encountering the increases of volume and complexity of the partner portfolios (Hoffmann, 2005) and the successful partnership can be achieved by developing new internal processes of collecting partner knowledge and learning knowledge from partners (Draulans et al., 2003). And these processes lead to the alliance capability which Kale et al. (2002) define it on the firm level as "specific systems to capture, codify, communicate and create alliance management lessons and insights associated with their alliance experience" (referred from the work of Blomqvist and Levy (2006). We provide insight into the dual-sided consideration of complementarity and compatibility that potentially develops the partnership capability on the firm level by assisting OI managers to systematically capture how well their partners match to the firm in each dimension. When managers determine the complementarity of external resource, they can pursue OI projects by integrating these inflows of assets to fill in the missing internal capacities. If they find that current external resource is not sufficient to achieve OI projects, they might acquire more external resource by in-licensing from other suppliers or inviting more alliances to participate the

projects. However, the decision of resource integration vs. additional acquisition depends on the firm's strategic and monetary potential. As for compatibility, OI managers determine how strategic objectives and work cultures of external partners align with those of the central firm. Selecting partners with high degrees of compatibilities in strategic goals and management styles increases the quality of interaction and technology transfer process (Leischnig et al., 2014).

To improve the compatibility, OI managers and their partners should smoothen the collaboration by mutually setting and reviewing the agreements on intellectual property rights, the strategic objectives of OI project and the commitments on project schedule and cooperation procedures. Also, Sarkar et al. (2001) indicate that partnering with firms with complementary resources potentially affects the success of projects while doing so with firms with similar cultural norms is critical to obtain strategic benefits. The priority between complementarity and compatibility depends on the strategic goals of an OI project. If OI managers aim to achieve either novelty or speed, or both, they should priorities the management of resource complementarity. At the other end, OI managers should first establish the supportive collaboration environment when they wish to accelerate and smoothen the innovation development process. When the number of partners is increasing and they are evaluated by applying different relative importance of complementarity and complementarity based on different phases in the new product development life cycle and other business conditions, the customization of strategic alignment for individual partners is also recommended.

For example, a firm conducts research with partner A, develops prototypes with partner B and accesses market with partner C. Different tasks require different types of partners and this requires the regard of priorities in complementarity and compatibility (Kale and Singh, 2009). Bogers (2011) suggests a layered collaboration scheme which is applying different degrees of knowledge revelation and protection with different partners as the way to manage the conflicts between knowledge

revelation and protection. With the integration of this scheme and the development of multi-partners portfolios, we recommend OI managers to use complementarity vs. compatibility dimensions as the direction to layer partners and customise a scheme for individual partners. For example, a company might apply a more knowledge protective/knowledge revelation approach for partners who present low/high compatibility in strategic objectives or collaborative behaviour (e.g. mutual agreements on IP management or knowledge contributions).

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. Discuss about The complementarity and OI partner selection decision.

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2. Write about The compatibility and OI partner selection decisions.

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11.5 LET US SUM UP

Value creation through alliances requires the simultaneous pursuit of partners with similar characteristics on certain dimensions and different characteristics on other dimensions. Partnering firms need to have different resource and capability profiles yet share similarities in their social institutions. In this unit, the researcher empirically examines the impact of partner characteristics on the performance of alliances. In particular, they test hypotheses related to both direct impact of partner characteristics on alliance performance and indirect effects through relational capital aspects of the alliance. Empirical results based on a sample of alliances in the global construction contracting industry suggest that complementarity in partner resources and compatibility in cultural and operational norms has different direct and indirect effects on

alliance performance. Accordingly, organizational routines aimed at partner selection need to be complemented by relationship management routines to maximize the potential benefits from an alliance.

Meanwhile, managers should also realise the compatibility of technical (i.e. the relatedness of knowledge base, expertise and technology) and non-technical profiles (i.e. the mutuality of strategic goals and organisational culture) of candidate partners for the smoothness of interactions throughout the OI project period. While much research on how complementarity and compatibility dimensions affect alliance outcomes have been found, the quantitative studies of how to balance these two dimensions in the requirements of partners and how varying proportions of these two dimensions affect the alliance performance are not delineated in the literature. Future work could test the success of alliance by using measures based on the roles of complementarity and compatibility dimensions.

11.6 KEY WORDS

Partial Little Square: Partial Least Squares Regression. Partial least squares (PLS) is a well-established multivariate approach that can also be used to perform multivariate inference on brain

Mutual Trust: Mutual Trust is a multi-family office providing integrated health services to Australia's most successful families, family businesses, trustees, not-for-profits

Strategic Alliance: A strategic alliance is an agreement between two or more parties to pursue a set of agreed upon objectives needed while remaining independent organizations. A strategic alliance will usually fall short of a legal partnership entity, agency, or corporate affiliate relationship.

11.7 QUESTIONS FOR REVIEW

1. Write about generalist species?
2. Discuss about the specialist at work?
3. Who will rule the future of work?

4. What are the differences between a Generalist and specialist?

5. Discuss about The complementarity and OI partner selection decision.

6. Write about The compatibility and OI partner selection decisions.

11.8 SUGGESTED READINGS AND REFERENCES

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11.9 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1) See Section 11.2

2) See Sub Section 11.2.2

3) See Sub Section 11.2.3

Check Your Progress 2

1) See Sub Section 11.3

Check Your Progress 3

1) See Sub Section 11.4.2

2) See Sub Section 11.4.3

UNIT 12: CORRUPTION AND REDRESS OF CITIZENS' GRIEVANCES

STRUCTURE

12.0 OBJECTIVES

After studying this lesson, you will able to

- To recognise the importance of redressal of public grievances in a democracy;

- To identify and explain various instruments of redressal of public grievances;

- To explain the role of Lokpal and Lokayukta;

- To understand the role and working of Central Vigilance Commission.

12.1 INTRODUCTION

In a democracy, the citizens make the government and hold it accountable. Government is functioned by bureaucracy for whom the rules and principles are more important than helping the citizens. Also, it tends to keep things secret and section like electricity and water-supply, railways and telephones etc. exercise their own power. Citizens register many complaints against government machinery. The grievances of citizens against government machinery need to be heard and redressed otherwise, citizens will tend to extract their loyalty towards it. Hence, democracy sets up appropriate machineries for the redressal of citizen's grievances.

Corruption in the Indian society has prevailed from time timeworn in one form or the other. The basic inception of corruption started with our opportunistic leaders who have already done greater damage to our nation. People who work on right principles are unrecognized and considered to be foolish in the modern society. Corruption in India is a result of the connection between bureaucrats, politicians and criminals. Earlier, bribes were paid for getting wrong things done, but now bribe is paid for getting right things done at right time. Further, corruption has become something respectable in India, because respectable people are involved in it. Social corruption like less weighing of products, adulteration in edible items, and bribery of various kind have incessantly prevailed in the society.

In today's scenario, if a person wants a government job he has to pay lakhs of rupees to the higher officials irrespective of satisfying all the eligibility criteria. In every office one has either to give money to the

employee concerned or arrange for some sources to get work done. There is adulteration and duplicate weighing of products in food and civil supplies department by unscrupulous workers who cheat the consumers by playing with the health and lives of the people. In the assessment of property tax the officers charge money even if the house is built properly according to the Government rules and regulations.

Political corruption is worst in India. The major cause of concern is that corruption is weakening the political body and damaging the supreme importance of the law governing the society. Nowadays politics is only for criminals and criminals are meant to be in politics. Elections in many parts of the country have become associated with a host of criminal activities. Threatening voters to vote for a particular candidate or physically prevent voters from going in to the polling booth – especially weaker sections of the society like tribal, dalits and rural woman occurs frequently in several parts of the country. Recently, the Government increased the salary of the M.P.'s from Rs.16, 000 to Rs.50, 000, that is 300% increase to the existing salary. But many of them are unhappy with rise and want the Government to increase the salary to a much more extent. This clearly shows how the politicians are in constant thirst for monetary benefits and not caring about the welfare of the people. Tax evasion is one of the most popular forms of corruption. It is mostly practiced by Government officials and politicians who lead to the accumulation of black money which in turn spoils the moral of the people.

12.2 CORRUPTION

In general, corruption is a form of dishonesty or criminal activity undertaken by a person or organization entrusted with a position of authority, often to acquire illicit benefit, or, abuse of entrusted power for one's private gain. Corruption may include many activities including bribery and embezzlement, though it may also involve practices that are legal in many countries. Political corruption occurs when an office-holder or other governmental employee acts in an official capacity for

personal gain. Corruption is most commonplace in kleptocracies, oligarchies, narco-states and mafia states.

Corruption can occur on different scales. Corruption ranges from small favors between a small number of people (petty corruption), to corruption that affects the government on a large scale (grand corruption), and corruption that is so prevalent that it is part of the everyday structure of society, including corruption as one of the symptoms of organized crime. Corruption and crime are endemic sociological occurrences which appear with regular frequency in virtually all countries on a global scale in varying degree and proportion. Individual nations each allocate domestic resources for the control and regulation of corruption and crime. Strategies to counter corruption are often summarized under the umbrella term anti-corruption.

12.2.1 Scales Of Corruption

A billboard in Zambia exhorting the public to "Just say no to corruption". An anti-corruption billboard at the entry into Niamey, capital of Niger. The text, translated from French, reads: "Together, let's fight against corruption at the borders", and "With my identity card or my passport plus my vaccination certificate, I can travel in all tranquility within the realm of ECOWAS".

Stephen D. Morris, a professor of politics, writes that political corruption is the illegitimate use of public power to benefit a private interest. Economist Ian Senior defines corruption as an action to

a. secretly provide
b. a good or a service to a third party
c. so that he or she can influence certain actions which
d. benefit the corrupt, a third party, or both
e. in which the corrupt agent has authority.

Daniel Kaufmann, from the World Bank, extends the concept to include 'legal corruption' in which power is abused within the confines of the law—as those with power often have the ability to make laws for their

protection. The effect of corruption in infrastructure is to increase costs and construction time, lower the quality and decrease the benefit.

The research work on social corruption developed at The Unicast Research Institute defines that corruption allows individuals to profit from the environment through illegitimate actions while they disintegrate the system they are part of.

Corruption can occur on different scales. Corruption ranges from small favors between a small number of people (petty corruption), to corruption that affects the government on a large scale (grand corruption), and corruption that is so prevalent that it is part of the everyday structure of society, including corruption as one of the symptoms of organized crime.

A number of indicators and tools have been developed which can measure different forms of corruption with increasing accuracy.

1. Petty corruption

Petty corruption occurs at a smaller scale and takes place at the implementation end of public services when public officials meet the public. For example, in many small places such as registration offices, police stations, state licensing boards, and many other private and government sectors.

2. Grand corruption

Grand corruption is defined as corruption occurring at the highest levels of government in a way that requires significant subversion of the political, legal and economic systems. Such corruption is commonly found in countries with authoritarian or dictatorial governments but also in those without adequate policing of corruption.

The government system in many countries is divided into the legislative, executive and judiciary branches in an attempt to provide independent services that are less subject to grand corruption due to their independence from one another.

3. Systemic corruption

Systemic corruption (or endemic corruption) is corruption which is primarily due to the weaknesses of an organization or process. It can be contrasted with individual officials or agents who act corruptly within the system.

Factors which encourage systemic corruption include conflicting incentives, discretionary powers; monopolistic powers; lack of transparency; low pay; and a culture of impunity. Specific acts of corruption include "bribery, extortion, and embezzlement" in a system where "corruption becomes the rule rather than the exception." Scholars distinguish between centralized and decentralized systemic corruption, depending on which level of state or government corruption takes place; in countries such as the Post-Soviet states both types occur. Some scholars argue that there is a negative duty of western governments to protect against systematic corruption of underdeveloped governments.

12.2.2 Corruption In India

Corruption is a great concern which unpleasantly affects India's economy of central, state and local government interventions. Not only has it held the economy back from reaching new heights, but rampant corruption has stunted the country's development. A study conducted by Transparency International in 2005 recorded that more than 62% of Indians had at some point or another paid a bribe to a public official to get a job done. In 2008, another report showed that about 50% of Indians had firsthand experience of paying bribes or using contacts to get services performed by public offices, however, in 2018 their Corruption Perception Index ranked the country 78th place out of 180, reflecting steady decline in perception of corruption among people.

The largest contributors to corruption are entitlement programs and social spending schemes enacted by the Indian government. Examples include the Mahatma Gandhi National Rural Employment Guarantee Act and the National Rural Health Mission. Other areas of corruption include India's trucking industry which is forced to pay billions of rupees in

bribes annually to numerous regulatory and police stops on interstate highways.

The media has widely published allegations of corrupt Indian citizens stashing millions of rupees in Swiss banks. Swiss authorities denied these allegations, which were later proven in 2015–2016. The Indian media is largely controlled by extremely corrupt politicians and industrialists who play a major role by misleading the public with incorrect information and use the media for mud-slinging at political and business opponents.

The causes of corruption in India include excessive regulations, complicated tax and licensing systems, numerous government departments with opaque bureaucracy and discretionary powers, monopoly of government controlled institutions on certain goods and services delivery, and the lack of transparent laws and processes. There are significant variations in the level of corruption and in the government's efforts to reduce corruption across different areas of India.

1. Anti-corruption laws in India

Public servants in India can be imprisoned for several years and penalised for corruption under the:

- Indian Penal Code, 1860
- Prosecution section of Income Tax Act, 1961
- The Prevention of Corruption Act, 1988
- The Benami Transactions (Prohibition) Act, 1988 to prohibit benami transactions.
- Prevention of Money Laundering Act, 2002

Punishment for bribery in India can range from six months to seven years of imprisonment.

India is also a signatory to the United Nations Convention against Corruption since 2005 (ratified 2011). The Convention covers a wide range of acts of corruption and also proposes certain preventive policies.

The Lokpal and Lokayuktas Act, 2013 which came into force from 16 January 2014, seeks to provide for the establishment of the institution of Lokpal to inquire into allegations of corruption against certain public functionaries in India.

Whistle Blowers Protection Act, 2011, which provides a mechanism to investigate alleged corruption and misuse of power by public servants and also protect anyone who exposes alleged wrongdoing in government bodies, projects and offices, has received the assent of the President of India on 9 May 2014, and (as of 2 August) is pending for notification by the Central Government.

At present there are no legal provisions to check graft in the private sector in India. Government has proposed amendments in existing acts and certain new bills for checking corruption in private sector. Big-ticket corruption is mainly witnessed in the operations of large commercial or corporate entities. In order to prevent bribery on supply side, it is proposed that key managerial personnel of companies' and also the company shall be held liable for offering bribes to gain undue benefits.

The Prevention of Money Laundering Act, 2002 provides that the properties of corrupt public servants shall be confiscated. However, the Government is considering incorporating provisions for confiscation or forfeiture of the property of corrupt public servants into the Prevention of Corruption Act, 1988 to make it more self-contained and comprehensive.

A committee headed by the Chairman of Central Board of Direct Taxes (CBDT), has been constituted to examine ways to strengthen laws to curb generation of black money in India, its illegal transfer abroad, and its recovery. "The Committee shall examine the existing legal and administrative framework to deal with the menace of generation of black

money through illegal means including inter-alia the following: 1. Declaring wealth generated illegally as national asset; 2. Enacting/amending laws to confiscate and recover such assets; and 3. Providing for exemplary punishment against its perpetrators." (Source: 2013 EY report on Bribery & Corruption)

The Companies Act, 2013, contains certain provisions to regulate frauds by corporations including increased penalties for frauds, giving more powers to the Serious Fraud Investigation Office, mandatory responsibility of auditors to reveal frauds, and increased responsibilities of independent directors. The Companies Act, 2013 also provides for mandatory vigil mechanisms which allow directors and employees to report concerns and whistleblower protection mechanism for every listed company and any other companies which accepts deposits from public or has taken loans more than 50 crore rupees from banks and financial institutions. This intended to avoid accounting scandals such as the Satyam scandal which have plagued India. It replaces The Companies Act, 1956 which was proven outmoded in terms of handling 21st century problems.

In 2015, Parliament passed the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Bill, 2015 to curb and impose penalties on black money hoarded abroad. The Act has received the assent of the President of India on 26 May 2015. It came into effect from 1 July 2015.

2. Factors contributing to corruption in India

In a 2004 report on Corruption in India, one of the world's largest audit and compliance firms KPMG notes several issues that encourage corruption in India. The report suggests high taxes and excessive regulation bureaucracy as a major cause; India has high marginal tax rates and numerous regulatory bodies with the power to stop any citizen or business from going about their daily affairs.

This power of Indian authorities to search and question individuals creates opportunities for corrupt public officials to extract bribes—each individual or business decides if the effort required for due process and the cost of delay is worth paying the bribe demanded. In cases of high taxes, paying off the corrupt official is cheaper than the tax. This, according to the report, is one major cause of corruption in India and 150 other countries across the world. In the real estate industry, the high capital gains tax in India encourages large-scale corruption. The KPMG report claims that the correlation between high real estate taxes and corruption is high in India as it is other countries including the developed economies; this correlation has been true in modern times as well as throughout centuries of human history in various cultures.

The desire to pay lower taxes than those demanded by the state explains the demand side of corruption. The net result is that the corrupt officials collect bribes, the government fails to collect taxes for its own budget, and corruption grows. The report suggests regulatory reforms, process simplification and lower taxes as means to increase tax receipts and reduce causes of corruption.

In addition to tax rates and regulatory burdens, the KPMG report claims corruption results from opaque process and paperwork on the part of the government. Lack of transparency allows room for manoeuvre for both demanders and suppliers of corruption. Whenever objective standards and transparent processes are missing, and subjective opinion driven regulators and opaque/hidden processes are present, conditions are ripe for corruption.

Vito Tanzi in an International Monetary Fund study suggests that in India, like other countries in the world, corruption is caused by excessive regulations and authorisation requirements, complicated taxes and licensing systems, mandated spending programmes, lack of competitive free markets, monopoly of certain goods and service providers by government controlled institutions, bureaucracy, lack of penalties for corruption of public officials, and lack of transparent laws and

processes. A Harvard University study finds these to be some of the causes of corruption and underground economy in India.

3. Impact of corruption

a. Loss of credibility

In a study on bribery and corruption in India conducted in 2013 by global professional services firm Ernst & Young (EY), a majority of the survey respondents from PE firms said that a company operating in a sector which is perceived as highly corrupt may lose ground when it comes to fair valuation of its business, as investors bargain hard and factor in the cost of corruption at the time of transaction.

According to a report by KPMG, "high-level corruption and scams are now threatening to derail the country's its credibility and [its] economic boom".

b. Economic loss

Corruption may lead to further bureaucratic delay and inefficiency if corrupted bureaucrats introduce red tape in order to extort more bribes. Such inadequacies in institutional efficiency could affect growth indirectly by lowering the private marginal product of capital and investment rate. Levine and Renelt showed that investment rate is a robust determinant of economic growth.

Bureaucratic inefficiency also affects growth directly through misallocation of investments in the economy. Additionally, corruption results in lower economic growth for a given level of income.

c. Lower corruption, higher growth rates

If corruption levels in India were reduced to levels in developed economies such as Singapore or the United Kingdom, India's GDP growth rate could increase at a higher rate annually. C. K. Prahalad estimates the lost opportunity caused by corruption in terms of investment, growth and jobs for India is over US$50 billion a year

12.2.3 Major Factors Responsible For Corruption

1. The most significant factor is the nature of the human being. People in general, have a great thirst for luxuries and comforts and as a result of which they get themselves involved in all

unscrupulous activities that result in monetary or material benefits.

2. Moral and spiritual values are not given utmost importance in educational system, which is highly responsible for the deterioration of the society.

3. The salary paid to employees is very less and as a result of which they are forced to earn money by illegal ways.

4. The punishments imposed on the criminals are inadequate.

1. The political leaders have spoiled the society completely. They lead a luxurious life and do not even care about the society.

2. People of India are not awakened and enlightened. They fear to raise their voice against anti-social elements prevailing in the society.

12.2.4 Measures Towards Control / Eradication Of Corruption In India

There are some specific measures to control increasing corruption.

1. The Right to Information Act (RTI) gives one all the required information about the Government, such as what the Government is doing with our tax payments. Under this act, one has the right to ask the Government on any problem which one faces. There is a Public Information Officer (PIO) appointed in every Government department, who is responsible for collecting information wanted by the citizens and providing them with the relevant information on payment of a nominal fee to the PIO. If the PIO refuses to accept the application or if the applicant does not receive the required information on time then the applicant can make a complaint to the respective information commission, which has the power to impose a penalty up to Rs.25, 000 on the errant PIO.

2. Another potent check on corruption is Central Vigilance Commission (CVC). It was setup by the Government to advise

and guide Central Government agencies in the areas of vigilance. If there are any cases of corruption or any complaints thereof, then that can be reported to the CVC. CVC also shoulders the responsibility of creating more awareness among people regarding the consequences of giving and taking of bribes and corruption.

3. Establishment of special courts for speedy justice can be a huge positive aspect. Much time should not elapse between the registration of a case and the delivery of judgment.

4. Strong and stringent laws need to be enacted which gives no room for the guilty to escape.

5. In many cases, the employees opt for corrupt means out of compulsion and not by choice. Some people are of the opinion that the wages paid are insufficient to feed their families. If they are paid better, they would not be forced to accept bribe.

The one thing that needs to be ensured is proper, impartial, and unbiased use of various anti-social regulations to take strong, deterrent, and timely legal action against the offenders, irrespective of their political influences or money power. Firm and strong steps are needed to curb the menace and an atmosphere has to created where the good, patriotic, intellectuals come forward to serve the country with pride, virtue, and honesty for the welfare of the people of India.

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. Write about Scales of corruption

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2. Major Factors Responsible For Corruption

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3. Write about the Measures towards control / eradication of corruption in India

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12.3 REDRESS OF CITIZENS' GRIEVANCES

12.3.1 Importance Of Redressal Of Grievances In A Democracy

In a developing country like India, Government has to accomplish many functions. The citizens depend on the services provided by various government agencies. To levy rice, wheat and sugar from a ration shop, a citizen has to have a ration card issued by the Government. To obtain a ration card is not very difficult, but the quality of services is far from satisfactory. For most things in life, citizens depend on the services and facilities provided by government agencies. It is a common experience that the citizens often face difficulties in dealing with government agencies. Too many rules and regulations are there, resulting in unnecessary delay. Trains or buses may not run on time. The banks, the hospitals, the police are often not co-operative.

Delay or harassment and unhelpful attitude of government departments and agencies create a bad image of government. At the same time, it has to be accepted that government has to undertake many functions in the interest of the public. The difficulties that the members of the public face in getting services, make the people unhappy and dissatisfied. The poor people suffer most. They badly need government support and services, but they are the ones who are often harassed and turned down. This is obviously bad for the healthy democracy. The average citizen wants sympathetic, courteous and helpful public administration. If there are too many public grievances against the government agencies, corrective measures have to be taken to redress those grievances. The Administrative Reforms Commission was set up by the Government of India in 1966. On the "Problems of Redress of Citizens' Grievances", the

commission said the following: "When the citizen can establish the genuineness of his case, it is plainly the duty of the state to set right the wrong done to him. An institution for redress of grievances must be provided within the democratic system of government. It has to be an institution in which the average citizen will have faith and confidence and through which he will be able to secure quick and inexpensive justice".

12.3.2 Instruments Of Redressal Of Grievances

To deal with administrative-corruption and to redress citizens' grievances, simplification of rules and procedures has been suggested and carried on in practice. Besides these, new institutions have also been recommended and actually set up in many countries. Created for the redressal of public grievances, the institution of "Ombudsman" is typically Scandinavian. The office of Ombudsman has been in existence in Sweden since 1809 and in Finland since 1919. Denmark introduced the system in 1955. Norway and New Zealand adopted it in 1962, and the United Kingdom appointed the Parliamentary Commissioner for Administration in 1967. Several countries in the world have since adopted the Ombudsman-like institution. Ombudsman, a Swedish word, stands for an officer appointed by the legislature to handle complaints against administrative and judicial action. As an impartial investigator, the ombudsman makes investigations, gets at the facts objectively, and reports back to the legislature. The complainant has simply to write to the ombudsman appealing against an administrative decision. The ombudsman system has been popular because of its simple and speedy nature. It is a cheap method of handling appeals against administrative decisions. When a citizen or consumer finds good and service defective he/she can take the shelter of Consumer Protection Act enacted in 1986. The Right to Information Act (RTI) has also been passed by the Parliament of our country to know what has happened in regard to his/ her complaint.

12.3.3 Indian Instrumentation

In India, it has been observed by many committees and commissions that special machinery should be set up to deal with public complaints against the administration. Various institutions exist to redress public grievances. For instance, a citizen can move the court to seek remedy against any wrong done to him by a public servant or a public agency in the course of discharge of public duty:

This is called judicial remedy. Many kinds of administrative tribunals have been set up to provide cheap and speedy justice to the complainant. The Income Tax Appellate Tribunal, Labour Tribunals etc. are instances of this type of institution. Secondly, Parliamentary procedure provides for opportunities to raise questions in Parliament by the elected representatives concerning their constituencies.

Also, there is a Parliamentary Committee called the Committee on Petitions. A citizen may submit petitions to secure redress against an act of injustice. So, even though a distant body, Parliament or State Legislature can take up the cause of an aggrieved citizen.

Thirdly, under the provisions of the Public Servants (Enquiries) Act, departmental as well as public agencies can be instituted against a public servant for his misconduct. Not day-to-day dealing but more serious matter of maladministration comes under the purview of this Act.

Fourthly, complaint forums have been set up at different levels to deal with public complaints. For example, in a public bus or in a railway station, there are complaint boxes to receive complaints from public. Consumers' Fora are now available to deal with complaints against any supplier of goods and services such as telephone services. Within large public organization such as Railways and Telecommunication etc., there are complaint cells to deal with public complaints. The government has also created Department of Administrative Reforms and Public Grievances. This is the nodal agency of the government for Administrative Reforms as well as redressal of public grievances. The enactment of Administrative Tribunal Act 1985 opened a new chapter in

the sphere of administrating justice to the aggrieved government servant and in some cases public members.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. Importance of Redressal of Grievances in a Democracy.

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2. Instruments of Redressal of Grievances.

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12.4 GRIEVANCE REDRESSES MECHANISM IN GOVERNMENT IN INDIA

Grievance Redress Mechanism is part and parcel of the machinery of any administration. No administration can claim to be accountable, responsive and user-friendly unless it has established an efficient and effective grievance redress mechanism. In fact, the grievance redress mechanism of an organization is the gauge to measure its efficiency and effectiveness as it provides important feedback on the working of the administration.

I.(A) STRUCTURE OF GRIEVANCE REDRESS MACHINERY AT APEX LEVEL

The grievances of public are received at various points in the Government of India .There is primarily two designated nodal agencies in the Central Government handling these grievances. These agencies are:-

(i) Department of Administrative Reforms and Public Grievances, Ministry of Personnel, Public Grievances and Pensions

(ii) Directorate of Public Grievances, Cabinet Secretariat

Department of Administrative Reforms & Public Grievances

Department of Administrative Reforms & Public Grievances is the nodal agency in respect of policy initiatives on public grievances redress mechanism and citizen centric initiatives. The role of Department of Administrative Reforms and Public Grievances consists primarily to undertake such citizen-centric initiatives in the fields of administration reforms and public grievances in the Government so as to enable the Government machinery to deliver quality public services to the citizen in a hassle-free manner and eliminate the causes of grievance.

The grievances received by the Department are forwarded to the concerned Ministries/Departments/State Governments/UTs, who are dealing with the substantive function linked with the grievance for redress under intimation to the complainant. The Department 'takes up' about 1000 grievances every year depending upon the seriousness of the grievance and follows them regularly till their final disposal. This enables the Department to evaluate the effectiveness of the grievance redress machinery of the concerned government agency. On the basis of the grievances received, Department identifies the problem areas in Government which are complaint-prone. These problem areas are then subjected to studies and remedial measures are suggested to the Department/Organisation concerned.

Directorate of Public Grievances (DPG)

Based on the review of the public grievances redress machinery in Government of India carried out in 1987, the Directorate of Public Grievances was set up in the Cabinet Secretariat with effect from 01.04.88. This Directorate was set up initially to look into individual complaints pertaining to four Central Government Departments which were more prone to public complaints. Subsequently, more Departments having larger public interface were added to its purview and presently this Directorate is handling grievances pertaining to 16 Central Government Organisations.

The Directorate was envisaged as an appellate body investigating grievances selectively and particularly those where the complainant had failed to get redress at the hands of internal machinery and the hierarchical authorities. Unlike the Department of AR&PG, Directorate of Public Grievances has been empowered to call for the files and officers for discussion to see that grievance handling has been done in a fair, objective and just manner. Wherever the Directorate is satisfied that the grievance has not been dealt in such a manner, it makes suitable recommendations for consideration and adoption by the concerned Ministry/Department which are required to be implemented within a period of one month.

The empowered and enlightened citizenry of today is far more demanding and the government, therefore, has to develop, evolve and enable itself to meet the evolving demands of the society that it has to serve. The society today is impatient with the old system of governance which is not coming up to its expectations. To them, a government employee is perceived as insensitive, aloof, corrupt and overall the administrative system as autocratic, opaque and with no work culture

This requires a paradigm shift in governance to a system where the citizen is in the center and he is consulted at various stages of formulation and implementation of public policy. To achieve this objective, India needs a public service which is capable, innovative and forward looking. The traditional role of civil service which was of administrator, service provider and controller of development activities has to make way for the new roles of facilitator and regulator so as to create best environment and conditions in the country for building a nation of excellence.

Department of Administrative Reforms & Public Grievances is the nodal agency in Government of India for formulation and implementation of such policies and strategic initiatives so as to enable and equip the

government machinery to meet the challenges involved in achieving this objective.

Department of Administrative Reforms and Public Grievances is the driving engine of reforms in administration and governance. The Department proposes to introduce and lead Change to establish a public service of quality, efficiency, integrity and effectiveness and modernize the public service. It is the nodal agency in government for facilitating administrative improvements and reengineering of processes across the government. Citizen's Charter initiative, Public Grievance Policy, Quality Management in Government, e-Governance, Review of Administrative Laws etc. Documentation and Dissemination of Best Practices, Organization & Methods, Information & Facilitation Counters, Civil Services Reforms are some of the areas under the ambit of Department of Administrative Reforms & Public Grievances.

Following are the necessary conditions for successful implementation of any reforms agenda:

- Political mandate
- Committed and strong executive
- Willingness and capability to take on vested interests in the system

II.(A) PUBLIC GRIEVANCE REDRESS MECHANISM IN CENTRAL GOVERNMENT MINISTRIES/ DEPARTMENTS/ ORGANISATIONS

The Public Grievance Redress Mechanism functions in Government of India on a decentralized basis. The Central Government Ministries/Departments, their attached and subordinate offices and the autonomous bodies dealing with substantive functions as per Allocations of Business Rules, 1961 have their respective grievance redress machinery. An officer of the level of Joint Secretary is required to be designated as Director of Grievances of the Ministry/Department/Organisation. The role and functions of Directors of Grievances are given in Department of Administrative Reforms and Public Grievances O.M.no.1/PLCY/PG-88 (7) dated 01.03.1988. This inter alia empowers the Directors of Grievances to call for files/reports and take decisions or review decisions already taken, in consultation with

Secretary/HOD even in those areas which do not fall within his/her domain/charge.

The functioning of Public Grievance Redress Machineries in various Ministries/Departments/Organisations is regularly reviewed by a Standing Committee of Secretaries under the Chairmanship of Cabinet Secretary with Additional Secretary Department of Administrative Reforms and Public Grievances as member-secretary. With a view to ensure prompt and effective redress to the grievances, a number of instructions have been issued by Department of AR&PG from time to time which, inter alia include:-

- Observe every Wednesday as a meeting less day in the Central Secretariat Offices when all the officers above a specified level should be available their desks from 1000hrs.to 1300hrs. to receive and hear public grievances. Field level offices having contact with the public have also to declare one day in the week as a meeting less day.

- Designate a Joint Secretary level officer as Director of Grievances including in autonomous bodies and public sector undertakings.

- Deal with every grievance in a fair, objective and just manner and issue reasoned speaking reply for every grievance rejected.

- Analyse public grievances received to help identification of the problem areas in which modifications of policies and procedures could be undertaken with a view to making the delivery of services easier and more expeditious.

- Issue booklets/pamphlets about the schemes/services available to the public indicating the procedure and manner in which these can be availed and the right authority to be contacted for service as also the grievance redress authority.

- Pick up grievances appearing in newspaper columns which relate to them and take remedial action on them in a time bound manner. Issue rejoinders to newspapers after investigation in cases which are found to be baseless and/or damaging to the image of the Organisation.

- Strengthen the machinery for redress of public grievance through, strictly observing meeting less day, displaying name designation, room number, telephone number etc. of Director of Grievances at the reception and other convenient places, placing locked complaint box at reception.

- Set up Staff Grievance Redress Machinery and designate a Staff Grievance Officer.

- Include the public grievances work and receipt/disposal statistics relating to redress of public grievances in the Annual Action Plan and Annual Administrative Report of the Ministries/Departments.

- Fix time limits for disposal of work relating to public grievances and staff grievances and strictly adhere to them.

- Acknowledge each grievance petition within three days of receipt, indicating the name, designation and telephone number of the official who is processing the case. The time frame in which a reply will be sent should also be indicated.

- Constitute Lok Adalats/Staff Adalats, if not already constituted, and hold them every quarter for quicker disposal of public as well as staff grievances and pensioners' grievances.

- Constitute a Social Audit Panel or such other machinery, if not already constituted, for examining areas of public interface with a view to recommending essential changes in procedures to make the organization more people-friendly.

- Establish a single window system at points of public contact, wherever possible to facilitate disposal of applications.

- Indicating telephone/fax number of the officer whose signature over a communication regarding the decision/reply is to issue to the petitioner.

- Monitoring of grievances in organisations under Ministries/Departments on a monthly basis.

- Publicising the grievance redress mechanism through the print and electronic media.

- Review of receipt and disposal of grievances by Secretaries of Ministries/Departments in the weekly meetings taken by them.

(B) TYPES OF PUBLIC GRIEVANCES

An analysis of grievances received in Department of Administrative Reforms & Public Grievances and Directorate of Public Grievances has revealed that the majority of grievances related to inordinate delay in taking decisions, extending from several months to several years and refusal/inability to make speaking replies/disclose basic information to the petitioners to enable them to examine whether their cases have been correctly decided. It is observed that, had the concerned organizations expeditiously and appropriately dealt with the grievances in the first instance; the complainants would not have approached Department of Administrative Reforms & Public Grievances/Directorate of Public Grievances.

(C) SYSTEMIC PROBLEM AREAS

There are rules, regulations, instructions which are archaic and aimed at shifting the work towards citizens. Slackness in administration, low morale of the services, inherent inertia, absence of incentives, lack of proper authority and accountability are the delay-breeders and the delay is the major factor that generates the grievances. These factors need to be tackled properly through systematic changes. Prevention is better than cure. On these lines, the best method to redress a grievance is not to allow the grievance to arise at the first instance. Even the redress of a grievance that arose on account of delay is also delayed as is revealed by the analysis of grievances according to which on a average six months are taken to redress a grievance.

Many a times Departments/Organisations are found to avoid taking appropriate decisions by resorting to rejection without application of mind, not taking appropriate interest in functioning of subsidiary offices/linked autonomous organizations, and emphasize on disposal and not on the quality disposal. Decisions taken earlier are reiterated without subjecting the cases of independent examination. There is inertia to review decisions taken by down-the-line functionaries. In many cases Departments/Organisations justify the delay and continue with their inability to take decisions by putting the onus on another agency or on

the petitioner. Many a times, the actual cause of grievance lay in internal inefficiency of the system and failure to identify simple systemic solutions. It is also observed that the time norms set by Departments for providing services were not being adhered to in many cases.

There is no doubt that grievances continue to arise because of a high systemic tolerance for delay, poor work quality and non-accountability in every day performance of functions. Failure to review archaic, redundant and incongruous rules, policies and procedures and to initiate simple, workable systemic changes is another cause for grievance generation. However, Departments and Organisations, which work with policies and procedures on a day-to-day basis, do not appear to have developed the ability to continually look 'within' and identify deficiencies. All these factors have ensured that grievances, once arisen, many a time do not get resolved in 'normal' course and need intervention at the highest administrative level.

Slackness in efficient functioning of 'Directors of Grievances' is identified as one of the prime cause for continuing delay in redress of grievances. Poor work quality, non-accountability in everyday performance of functions and failure to systemically review policies/procedures and suggest systemic changes are other important causes. In most Ministries, Departments and Organisations, the mechanism of Director of Grievances is not functioning as per the mandate prescribed.

(D) Focus Areas

7.1 In this context, it is the need of the time that the Government should review its pledge of providing hassle-free public services to the citizens by focusing on systemic changes to minimize the grievances in Government domain. In order to achieve this objective in a focused manner, it is necessary to evolve a multi-pronged strategy to be implemented in a time-bound and effective manner. Keeping in view the various factors involved in grievance redress issue, following areas need focused attention:

Performance Review – Foreseeing areas of dissatisfaction

a. To review processes, functions etc. in the organization and to cast them pro-actively in a manner that would foresee areas of dissatisfaction, identify activities where transparency, equity, prudence and propriety are compromised, interventions that can help achieve better outcomes, improve satisfaction of internal and external stakeholders.

b. An annual review of laws, rules, regulations, instructions and procedures be carried out with a view to simplify the procedure making the administration more transparent, accountable and citizen-friendly. Information Technology should be employed in re-engineering of governmental processes in order to improve efficiency and effectiveness and ensuring transparency and accountability.

Identification of Grievance Prone Areas and Analysis

a. Identify areas susceptible to corruption and/or grievance generation and conduct work audit of such areas. In addition, consider external/social audit in areas of very high public interface, with the aim of identifying wrong doers and improving processes and systems. Involve NGOs in the exercise.

b. Analyse the nature and cause of grievances with the aim of identifying systemic deficiencies in laws, rules, regulations, policies, instructions, work practices and procedures, and effecting systemic changes to remove/correct these deficiencies. The Directors of Grievances be the nodal officers for such purpose. The analysis should be conducted in the month of April every year and studies of identified grievance prone areas are undertaken. Recommendations made in the studies should be implemented by December of that year so as to bring systemic changes and remove the cause of grievances.

c. Fix responsibility in each and every case of delay, default or dereliction in performance of every day duties on failure to deliver services, and take disciplinary action to avoid recurrence.

This will send a clear signal that in the event of failure to perform duties or deal appropriately with grievances within the time frame norms prescribed; a real possibility of having responsibility fixed on one's shoulder exists. Consider the feasibility of prescribing specific penalty clauses in such cases.

Citizen's Charter

Formulation and effective implementation of Citizen's Charters, which should, inter-alia, include disclosure of time norms for providing various services to the citizens/clients and details of all levels of grievance redress machinery that may be approached.

Information & Facilitation Counters (IFC)

Setting up and effective operationalization of IFC's civic society may be involved in the functioning of IFCs to make them citizen- friendly and effective.

On Line Registration of Grievances

Make Public Grievance Redress and Monitoring System (PGRAMS) software, operational with every Director of Grievances. This shall enable the Director of Grievances to immediately place the details of grievances received in a database (efficient 'dak' management) as well as record the fact whether he intends to monitor its progress, identify the section/division where it is being sent, etc., generate the time taken in dealing with the grievance, enable review of pending grievances in the organisation or across the organisations, generate acknowledgements to complainants, conduct analysis etc. The system should also have the facility of on-line registration of grievances by the citizens and access to information on the status of his/her grievances.

Prompt and Effective Redress of Grievances

a. Grievances should be necessarily acknowledged, with an interim reply within 3 days of receipt and redressed within 3 months of receipt in the Organisation. The same time limit should apply even if co-ordination with subsidiary offices or another Department/Organisation is involved. In such instances special efforts, to be suo moto disclosed when reports are called, should be made.

b. No grievance is to be rejected without having been independently examined. At a minimum, this means that an officer superior, to the one who delayed taking the original decision or took the original decision that is cause for grievance, should actually examine the case as well as the reply, intended to be sent to the grievance holder.

c. Make the 'Director of Grievances' effective through the following inter-related steps:

    i. Secretaries/Organisational Heads ensuring that Directors of Grievances are fully 'empowered' in accordance with instructions to perform their role.

    ii. All grievance representations received in the Department/Organisation, either by mail, fax, e-mail to be invariably routed through Director of Grievances before they go to concerned sections/divisions. At this stage, Office of the Director of Grievances shall go through the representations and come to a prima-facie view regarding the gravity of the matter involved and decide whether it shall monitor the case or allow down-the-line functionaries to independently deal with it. Directors of Grievances should monitor and follow up at least 3 to 5 percent of grievances received to enable them to assess the efficacy of grievance redress mechanism.

    iii. Fix responsibility in each case of delay, default and dereliction of duty, identified by Director of Grievances, and take appropriate action against concerned personnel. In addition, consider feasibility of prescribing specific penalty clauses for such failures.

Review and Monitoring of Grievance Redress Mechanism

Ensure meaningful review of the performance of grievance redress machinery of the Ministry/Organisation as well as that of attached/ subordinate organization by Secretary/ Head of the Department on a monthly basis. Review should also cover action against defaulters.

III.ROLE OF REGULATORS, OMBUDSMAN AND LIKE BODIES

An explosive issue today in context of public grievance redress is the pace and phasing of the movement towards open markets after the gradual abandonment of centralized planning model. The Government is today withdrawing from various service sectors traditionally monopolized by it and private enterprise is moving in. This may lead to a scenario where the Government monopolies are replaced by even more vicious private monopolies or cartels in the absence of adequate regulation, enforcement and recourse to grievance redress.

This has significant implications for the role of Government. The Government cannot just abandon the interests of citizens to be taken care of by the market forces in areas of service delivery covered by the private sector. In the open market scenario, it is often the major stakeholders and players which define the cost, quality and mechanism etc. of service delivery.

The Government therefore needs to put in place appropriate mechanisms in the regulatory authorities, ombudsmen and like bodies in such sectors so that the concerns of individual citizens are also accorded equal importance and weightage and are appropriately and effectively addressed. They should safeguard the interests of the common citizens and ensure that the grievances of the citizens are attended to promptly and effectively.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. Write about Grievance Redress Mechanism in India.

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12.5 LOKPAL AND LOKAYUKTA

12.5.1 Lokpal

The machineries and procedures for handling public grievances, as mentioned above, have been found to be too distant or expensive and time-consuming. They have not been very successful to provide effective redressal of an individual citizens' grievance against government agencies and political leadership. Against this background, the Administrative Reforms Commission (ARC, 1966) made the following observation: "We are of the view that the special circumstances relating to our country can be fully met, by providing for two special institutions for the redressal of citizens' grievances. There should be one authority for dealing with complaints against the administrative acts of ministers or secretaries to government both at the centre and in the states. There should be another authority in each state and the centre for dealing with complaints against the administrative acts of other officials. All these authorities should be independent of the executive as well as the legislature and judiciary". The ARC called the first authority the Lokpal and the second authority the Lokayukta. Inspite of several attempts the Lokpal Bill has again and again fallen through in Parliament. It appears that both the Congress; and non-Congress Governments have not been sincere and serious enough about the enactment of the Lokpal Bill despite their public pronouncements to that effect and promise to give to the people a clean administration, There are two fundamental issues involved. Firstly, there is clearly the hidden unwillingness of political leadership to submit them for enquiry by an independent authority other than Parliament to which they are already responsible in a parliamentary democracy. Secondly, the functional jurisdiction of the proposed Lokpal

is also debatable. Should the Lokpal take up the cases of corruption only or it should also be entrusted with the task of redressing citizens' grievances in respect of injustice caused by maladministration of officials. The citizen is interested in redressal of his little problems and individual grievances but the existing avenues do not provide him easy, speedy and cheap redressal. Hence, what is needed is an agency, independent of government control, to redress the common grievances of people.

12.5.2 The Lokayukta

Although no institution of Lokpal has yet been established at the Centre, there are states like Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Bihar, Orissa, Himachal Pradesh and National Capital Territory of Delhi which have appointed Lokayukta for dealing with the public grievances on the lines suggested by the ARC. Maharashtra was the first state to enact such legislation in 1971. The other state legislations were based more or less on the Maharashtra lines which provide the Lolkayukta with exclusive powers to look into complaints against state ministers, secretaries and other senior officers. Section 12 of the Himachal Pradesh Lokayukta Act, 1983, provides, "If, after enquiry in respect of a complaint, the Lokayukta is satisfied that all or any of the allegations made in the complaint have or have been substantiated either wholly or partly, he shall, by report in writing, communicate his findings and recommendations to the competent authority and intimate the complaint and the public servant concerned about his having made the report". The competent authority examines the report and has to communicate to the lokayukta within a period of three months of the receipt of such report, the action taken thereon. It may be noted that the Lokayukta is only a recommending authority. Its recommendations have no legal sanctity, nor are these binding. The final judgement in respect of the offence lies with the competent government authority.

12.5.3 The Central Vigilance Commission

Being alarmed at increasing rate of corruption; a high-power committee was set up by Government of India in 1962 under the Chairmanship of

K. Santhanam. The Santhanam Committee recommended, setting up of Vigilance Commissions at the Centre and in the various States. Vigilance Cells have since been created in several government departments and public sector undertakings. At the highest level there is a Central Vigilance Commission (CVC). The CVC is headed by the Central Vigilance Commissioner, appointed by the President of India, for a period of six years or until he attains the age of 65 years, whichever is earlier. The Commission's office is located in the Ministry of Home Affairs having an autonomous status. In addition to the Commissioner, it consists of a Secretary, one Officer on Special Duty, one Chief Technical Commissioner, 3 Commissioners for departmental enquiries, 2 Under Secretaries and 6 Technical Commissioners. Its jurisdiction extends to all employees of the central government and the employees in public undertakings, corporate bodies and other organizations dealing with matters falling within the executive powers of the central government. However, it cannot probe cases of corruption against ministers and members of parliament. The CVC receives complaints directly from the aggrieved party. It also gathers information about corruption and malpractices or misconduct from other sources such as press reports, audit objections, information through parliamentary debates and other forms etc. The complaints about Central Government employees received by the State Vigilance Commissions are forwarded by them to the CVC. On receiving complaints, the Commission may ask:

(i)   the concerned ministry/department to inquire into them;

(ii)   the Central Bureau of Investigation (CBI) to make an inquiry; and

(iii)   the CBI direction to register a case and conduct an investigation. Prosecution, however, depends on the approval by the appropriate sanctioning authority.

The CVC has laid clown procedures to be followed by the administrative ministries/ departments in the case of complaints received by them. These complaints are to be dealt with by the ministries/departments concerned. The CVC may advise the ministries/ departments in respect of all matters relating to integrity in administration. It may also call for

reports, returns or statements from all ministries/departments so as to enable it, to exercise a general check and supervision over vigilance and anti-corruption work in the ministries/departments. It can also take over under its direct control any complaint or case for further action. Besides these, the CVC has a role to play in the case of the appointment of Chief Vigilance Officer of each ministry/department. The CVC is to be consulted before giving such an appointment. Moreover, the CVC has been empowered to assess the work of the Chief Vigilance Officer. This assessment is recorded in the character rolls of the officers. Finally, all proposals for re-organising or strengthening the Vigilance Organisation by the Chief Vigilance Officers are to be referred to the CVC for scrutiny. The role of CVC is, however, limited because it is not a statutory commission and has only advisory role. Further, the procedure of investigation is so vexatious that people do not desire to be involved in long and unpleasant proceedings. Thus it has been commented that the Central Vigilance Commission is not at all a substitute for an Ombudsman. As it is constituted, the Commission is virtually an extension of the bureaucratic apparatus of the Central Government and its operations are very much hedged in by the overpowering ministries/departments and the political forces at the Centre.

Check Your Progress 4

Note: i) Use the space given below for your answers.

1. What is the role of Lokpal and Lokayukta?

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2. What is The Central Vigilance Commission?

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12.6 LET US SUM UP

The grievance of citizens against government machinery needs to be heard and redressed. Otherwise, citizens will withdraw their loyalty to

the government. Hence, every democracy sets up appropriate machinery for the redressal of citizens' grievances. In India, a citizen can move the court to seek remedy for any wrong done against him by a public servant or a public agency in the course of discharge of public duty. This is called judicial remedy. Secondly, there are Parliamentary procedures to raise questions in Parliament, also there is a Parliamentary Committee called the Committee on Petitions. Thirdly, departmental as well as public enquiries can be instituted against public servants for their misconduct. Again complaint forums have been set up at different levels to deal with public complaints. The Administrative Reforms Commission (1966) recommended the setting up of Lokpal and Lokayukta for dealing with complaints against the administrative acts of ministers or secretaries to government, both at the Centre and in the States. Although, no institution of Lokpal and Lokayukta has yet been established at the Centre, some States have appointed Lokayukta. There is a Central Vigilance Commission for several government departments and public sector undertakings to deal with increasing corruption. Thus, there are varied institutional devices to deal with redressal of public grievances.

12.7 KEY WORDS

Lokpal:A Lokpal is an anti-corruption authority or body of ombudsman who represents the public interest in the Republic of India

Lokayukta :The Lokayukta is an anti-corruption ombudsman organization in the Indian states. Once appointed, Lokayukta cannot be dismissed nor transferred by the government, and can only be removed by passing an impeachment motion by the state assembly.

CVC: Central Vigilance Commission

Information & Facilitation Counters (IFC): Setting up and effective operationalization of IFC's civic society may be involved in the functioning of IFCs to make them citizen- friendly and effective.

12.8 QUESTIONS FOR REVIEW

1. Why is redressal of public grievances very important for a democracy?

2. What are the various instruments of redressal of public grievances?

3. What is the role of Lokpal and Lokayukta?

4. What is the role of Central Vigilance Commission?

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uption_a_Chance.

12.10 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

   1) See Sub Section 12.2.1

   2) See Sub Section 12.2.2

   3) See Sub Section 12.2.3

Check Your Progress 2

   1) See Sub Section 12.3.1

   2) See Sub Section 12.3.2

Check Your Progress 3

   1) See Section 12.4

Check Your Progress 4

   1) See Sub Section 12.5.1 and 12.5.2

   2) See Sub Section 12.5.3

UNIT- 13: ADMINISTRATIVE REFORMS

Structure

13.0 OBJECTIVES

After this unit we can able to understand:

- To know the Administrative Reforms
- To discuss the First Administrative Reforms Commission
- To discuss the Second Administrative Reforms Commission

13.1 INTRODUCTION

The word 'Reform' means to make something better, to improve something or to remove the faults of something especially by changing its behaviour or structure. Reform is an congenital feature of Public (govt.) Administration because of the constant growth of its functions for catering to the ever increasing demands of society and to remain relevant in the changing times. There are a lot of featuers which can elustrate the appropriate definition of reform as a whole.

A single definition of Administrative reform has not been come to; however, there are two ways/approaches to understanding it:

i)   Reform of Administration as a complex rebuilding of it.

ii)   Reform to be a particular change within administration or just a modernizing or improvising of administrative procedures.

Various aspects of Administrative reform are:

i)   Political

ii)   Legal

iii)   Institutional

iv)   Technical

v)   Personnel

vi)   Financial

vii)   Social

viii)   Psychological, etc.

These are often interlinked as well.

Stages in Administrative reform:

- Theoritical
- Practical situation emergence for reform
- Preparation stage for implementation of reform
- Realization of the reforms when there is success in achieving the stipulated aims that were pre-set.

Apart from national factors of reform, stress should also be put here on the role of International organisations such as UNO,EU,OECD, WB,IMF, etc. who push countries/members to reform their

administrative practices through various means like development funds, Millennium Goals, Good Governance, Sanctions, etc.

13.2 ADMINISTRATIVE REFORMS

13.2.1 Administrative Reforms Commission

The **Administrative Reforms Commission** or ARC is the committee appointed by the Government of India for giving recommendations for reviewing the public administration system of India. The first ARC was established on 5 January 1966. The Administrative Reforms Commission was initially chaired by Morarji Desai, and later on K. Hanumanthaiah became its chairman when Desai became the Deputy Prime Minister of India.

The Second Administrative Reforms Commission (ARC) was constituted on 31 August 2005, as a Commission of Inquiry, under the Chairmanship of Veerappa Moily for preparing a detailed blueprint for revamping the public administrative system.

Since Independence, there have been about fifty Commissions and Committees at the Union Government level to look into what can be broadly characterized as administrative reforms. The First Administrative Reforms Commission set up in January, 1966 was asked, in particular, to consider all aspects relating to the following subjects:

- The machinery of the Government of India and its procedures of work;
- The machinery for planning at all levels;
- Centre-State relationship;
- Financial administration;
- Personnel administration;
- Economic administration;
- Administration at the state level;
- District administration;
- Agricultural administration; and
- Problems of redress of citizen's grievances.

The Commission submitted 20 Reports in all; These 20 Reports contained 537 major recommendations. Based on the inputs received from various administrative Ministries a report indicating the implementation position was placed in Parliament in November, 1977. A List of the recommendations of the First ARC that are relevant to this Report is outlined below:

b) **Need for specialization:** The first ARC recognized the need for specialization as the functions of Government had become diversified. A method of selection for senior management posts in functional areas and outside functional areas was laid down.

c) **Unified Grading structure:** A unified grading structure based on qualifications and nature of duties and responsibilities was suggested.

d) **Recruitment:** On this subject, the ARC recommended:

   i)   A single competitive examination for the Class I services, with the age limit raised to 26 years.

   ii)   Lateral entry to technical posts at senior levels.

   iii) Direct recruitment to Class II services to be discontinued.

   iv)   A simple objective type test to be conducted for recruitment of clerical staff.

   v)   Recruitment to Central Government posts in certain sectors to be made from among the State Government employees.

e) **Recruitment Agencies:**

   i.   A new procedure for appointment of members of the UPSC and the State Public Service Commission was suggested.

   ii.   Setting up of Recruitment Boards for selection of clerical staff was recommended.

f) **Training:** a national policy on Civil Service Training to be devised.

g) **Promotions:** Detailed guidelines for promotion were outlined.

h) **Conduct and Discipline:** Reforms in disciplinary enquiry proceedings and setting up of Civil Service Tribunals was suggested.

i) **Service Conditions:** The Commission also gave recommendations on matters related to overtime allowances, voluntary retirement, exit mechanism, quantum of pension, government holidays, incentives and awards to be given on timely completion of projects, and establishing work norms for various posts that may be reviewed by the Staff Inspection Unit.

13.2.2 Administrative Reforms since Independence In India

Independence opened up new and bigger challenges before the country as it was under a solemn obligation to bring about social and economic improvement which was an all-round improvement in the lives of the people of the country. The government is irrevocably committed to the DPSPs enshrined in the Constitution, which directs it actively to work for the economic and social wellbeing of the people, refer to importance of DPSP.

Also, to achieve this apart from reforming administrative machinery, there was a need to reform the attitudes of the Civil services as well from a colonial hangover of domination and non-transparency to sub servant to the people of India as envisaged in the Preamble of the Indian Constitution that begins with 'We, the people of India'.

The first reform in Public administration since Independence began with the introduction of the Parliamentary form of government based on Universal Adult Franchise which consequently transformed the civil services to an instrument/tool in the hands of the popularly elected government for implementation of its policies and programmes and a service provider to the public.

The next step in administrative reforms was the establishment of the All India Services, Central services and State services machinery. After that came the decentralization reform where Constitutional status was conferred upon local self-governments in rural and urban areas which enhanced the arena and functions of Public administration. One must

note that when the Constitution was being framed, the Constitution founding fathers did not pay much thought to the type of administrative machinery required for an Independent India as they felt that the inherited one was doing its job well and perhaps they also felt that Constitutional and political changes were of major consequence that would automatically make its tool which is public administration undergo the requisite transformation under its impact.

However, such a interlink never really happened, and with the onset of the Planning Commission and its development Plans the painfully inadequate and weak administrative system was discovered. Thus, the first Five Year Plan called for reforms regarding the same.

So, the Staff Reorganization Unit was setup in 1953, later renamed the Staff Inspection Unit under the Ministry of Finance to review staffing in government agencies with a view to achieve economy in staff consistent with administrative efficiency. This Unit is still in existence and doing useful work but is not directly or immediately related to administrative reform.

In 1954, the establishment of the O & M agency in the govt. located in the Cabinet Secretariat, to begin and sustain administrative efficiency in all branches of public administration brought in some hope for real administrative reforms. Its location in the Cabinet Secretariat enabled it to get cooperation and collaboration from all other Ministries and departments and direct them to achieve the same and keep them accountable.

13.2.3 Major Concerns Driving Administrative Reforms

    i)   Efficiency and Economy

    ii)   Specialisation

    iii)   Effective cooperation and coordination

    iv)   Administration and Development of Personnel

    v)   Accountability

vi)   Corruption

13.2.4 Important Committees And Commissions On Administrative Reforms Since Independence

The A.D. Gorwala Committee appointed in 1951 by the Planning Commission and in 1953 the Appleby Commission was set up as well to analyze the administrative machinery for implementing planned development submitted its report with the recommendation to introduce O & M procedures in govt. departments as well as setting up of IIPA for advancement of administrative knowledge which was subsequently implemented.

In 1956, the Planning Commission again constituted the Committee on Plan Projects to carry out studies in the field of projects with a view of evolving suitable forms of organisation methods standards and techniques for avoiding waste and ensuring efficient execution of projects. This Committee was wound up as a separate entity in 1970 but played an important part in developing development administration.

The Second Pay Commission in 1959 recommended the pooling of the Secretariat and the attached offices into a single Headquarter organisation.

S. R. Das Committee, a one-man Commission which investigated allegations of corruption and misuse of power against Chief Minister Kairon of Punjab who lost his office as a result of his findings.

Santhanam Committee on Prevention of Corruption, in its report in 1964 found that corruption was not confined to only lower rank of public service. It recommended the setting up of the Central Vigilance Commission armed with adequate powers as well as a code of conduct for Ministers on par with the Chief Ministers of all states. However, once must note here that this reform has been diluted and the CVC has only been conferred advisory/recommendation powers and has to recommend to/take permission from the respective ministry/dept in order to proceed

with investigating against its erring officials on the complaint through the CBI. If this machinery has to be made relevant and powerful then there has to be a release of it from this permission system as well as making the CBI an independent organisation away from the clutches of the government. However, the CVC does publish its reports and as to why its recommendations were rejected by the respective Ministry/Officials and if there is a strong and vigilant opposition then it can make a lot of difference and it has made a difference time and again when the situation is favourable.

First Administrative Reforms was set up in 1966 - 1970 with Morarji Desai as its Chairman and on his becoming Deputy Prime Minister, K. Hanumanthaiya took over. The Commission submitted 20 reports discussing different areas of administration and reforms for it with detailed 500 recommendations.

The Commission recommended entry into the middle and senior management levels in secretariat from all services. As well as holding of a mid - career competitive written examination for filling middle and senior level positions in the government and many other recommendations pertaining to the Public Service Commissions, however all of these were turned down due to lack of political will and bureaucratic dominance over implementation of the recommendations, but its recommendations on Training were accepted and implemented in entirety by the government as a plausible means of administrative reform and capacity building.

The biggest issue with implementing recommendations of commissions and committees is that there isn't a sound policy for the same. The responsibility of accepting/rejecting such recommendations is left to the concerned Ministry/department. The implementation branch in the Department of Administrative reforms is ruled by bureaucrats dissect these reports before submitting it to the Cabinet so a bureaucrat would never pass any recommendation that is uncomfortable for him and his status/position. So it is killed at the very beginning.

Also the ARC's recommendation for a strong Lokpal was also accepted but has yet to see the light of the day since almost half a century of its recommendation.

There is a need for reform here which was recommended in the ARC report as well, where an all-party Parliamentary committee should be set up to keep a watch over the implementation of the accepted recommendations and report on the other recommendations as to why it cannot be accepted. And, during this process the bureaucrats should be kept away. Within three months of receipt of the report from the Commission, the govt. should place before the Parliament a white paper indicating its decisions regarding the recommendations and debates and discussions should ensue by the Parliamentarians for fair play.

The Jha Commission on Economic Administrative reforms advocated the need to move towards accountability in the positive sense so that greater importance was given to performance instead of rules and regulations/procedures. The concept of Management by Objectives was introduced in the form of Annual Action plan for Ministries and Departments and Memoranda Of Understanding with PSUs, which we can see today (giving status to PSUs like Navratna and Maharatna,etc.). Similarly, an online monitoring of managerial performance in infrastructure sectors was initiated.

Post this, the administrative reforms have shifted their attention to micro-levels and has since become an area of bureaucrats through the nodal administrative reforms agency i.e. the Department of Personnel and Administrative reforms under the Home Ministry which is manned by career civil servants that would not pass hard reform measures and is only content with soft pedestrian level reforms. On the personnel side of its functions, the Department formulates policies relating to recruitment, training, promotion, employer-employee relations, service conditions, etc. in the civil service. Staff welfare, discipline and morale in civil

service and integrity in administration form a part of its portfolio. It also determines the policy relating to administrative reform in India.

But the range and nature of the work undertaken by the Department above, makes the term administrative reform inappropriate as they are more akin to administrative improvement only, that is improvement of existing structures only that carries a local meaning and significance and the official manning it are far away from actual problems of administration and are just performing clerical activities.

To be effective, the Department needs to look around for fresh ideas and alternatives in the field of Public administration through meaningful and intelligent comparative studies and debates of Public and Personnel administration forums at the national as well as international level and undertake research on the same. It needs to shed its veil of secrecy and interact with the public more to improve its status as well as functions and gain respect from all departments and ministries who treat it as an outsider and do not allow it to study them or advise them.

The Fifth and Sixth Pay Commissions brought in a lot of reforms as well for sustaining the integrity and honesty of public administrators through enhanced pays that were implemented.

The arrival of the New Industrial Policy and LPG brought in a lot of major reforms, like the introduction of ICT technology in administration (E- Governance) and Public-Private partnership, as well as dis investments in PSUs which has led to a higher efficiency as well as effectiveness in administration.

The Second Administrative reforms Commission headed by Veerappa Moily has recommended that the subject of Public Administration/Governance be made mandatory for aspiring civil servants, besides setting up National Institutes of Public Administration and the Central Services Authority. The Government of India has come up with a draft Public Services Bill (2007) that aims to change the nature

of the civil services as well as face the challenges to governance in the context of complex global challenges. This paper presents an overview of the changing nature of civil services in India in the post-Independence period with emphasis on the reforms and the challenges ahead.

13.2.5 Implementing Aadhar Or Unique Identification Authority Of India

Expenditure Reforms Commission - that emphasized on a drastic downsizing of the government staff strength for securing modern and professional governance and also reducing the increasing salary bill of the Government of India.

The D.S. Kothari Committee Report on Recruitment Policy and Selection Methods, 1976 interlaid recommended a major change in the examination system. It recommended a two-stage examination process – a preliminary examination followed by a main examination. This Committee also suggested changes in the training pattern for the civil services.

The Department of Administrative Reforms and Public Grievances (DARPC) has proposed a framework for good governance in the form of a Code of Governance. The main components of this Code are:

(i)   improving service delivery;

(ii)   development of programmes for weaker sections and backward areas;

(iii)   technology and system improvement;

(iv)   financial management and budget sanctity;

(v)   accountability and transparency;

(vi)   public service morale and anti-corruption; and

(vii)   Incentivizing reforms.

However, to conclude here, the opinion is that the central reform agency has failed in its mission and hardly rises above organizational and O& M levels. The Planning Commission provides the perspective for planning and the DARPC does the policy planning, however both of these

organizations are ill staffed for the same as they have specialists mostly who are distant from the administrative realities, so there is a need to have a separate long term Administrative reforms organization, free of bureaucrats and staffed with eminent people who have practical knowledge of the working of administration and its major concerns to bring in bold administrative reforms and also people need to be made aware of their rights as well as the duties and responsibilities the public officials owe to them in which the NGOs and NPOs as well as civil society can make a lot of contribution and difference.

13.2.6 Reforms In Financial Management

Public Finance Management basically deals with all aspects of resource mobilization and expenditure management in government. Very important in today's times as rising population and rising demands is leaving a big burden on the economy.

However Public Financial Management continues to be restricted to budget implementation, administration of payment systems, accounting and reporting in the states of funds received and spent.

Reforms however have been brought in that focus on results and outcomes rather than only on compliance with procedures as tools of modern financial management like IT and Financial information system are being implemented to improve efficiency and accountability.

Also the accounting system is being changed from cash based to accrual accounting for more transparency, clarity and efficiency.

13.2.7 Reforms In Human Resources Development

There have been various commissions and committees set up mentioned above that also dealt with human resource development like training and capacity building as well as Pay Commissions that enhanced and recommended better recruitment & promotion practices as well as conditions of service, etc.

A mention should be made here of the reforms in the educational sector too for building the capacity of the human resource in a country like the

Knowledge Commission and Education for all policy, setting up central and state open schools and universities as well as a variety of flexible as well as standardized distance learning courses as well as the enactment of the Right to Education Act.

13.2.8 Problems Of Implementing The Reforms

i)   Lack of Political will

ii)   Lack of Bureaucratic will

iii) Bureaucratic stranglehold over administrative reforms

iv)   Lack of long term strategizing agency for administrative reforms free of bureaucratic stranglehold.

v)   Lack of information dissemination among people and stakeholders of reforms being carried out.

vi)   Over staffing and burden over the exchequer for paying salaries instead of diverting it to reforms implementations.

vii) Lack of comparative study and interaction of Administration practices and administrators internationally as well as among the public.

viii) Move from administrative improvement attitude within existing structures and machineries to proper administrative reformist attitudes that push the envelope.

ix)   Lack of practical solutions and recommendations by the Commissions and committees at times due to idealistic/theoretical attitude or lack of practical experience in the subject.

x)   Lack of awareness among public in regards to their rights and the public official's duties and responsibilities towards them.

xi)   Corruption and vested interests and weak anti-corruption agencies.

The administration is an ancient alert, common to almost all countries and all levels of governments. It is an aspect of governmental activity which is very old. It is as old as human history with the increase in the scope and activities of the state, the administration have become all the

more important in modern time. Its importance has tremendously increased from the cradle to the grave. The administration is an instrument of social change. It is essential for preserving civilization, social harmony and most of all for successful planning without a clear, efficient, responsive and sensitive administration. The administration is of pivotal importance in the formation of a welfare state. There was a time when people had no expectation from public authorities but today life is shaped by the quality of administration.

A welfare state, having a planned economy and a republican constitution, cannot function except through a widespread and integrated structure of administration. In simple term, the administration is securing cooperation in order to get the work of the world accomplished as a process; the administration is so much a matter of analysis and synthesis that these functions should become second nature to the administrator. As a career, administration is an activity challenge, for its calls on many aspects of a man's nature and the abilities and applied them to stick social problems, administration is of concern to every citizen because the service he receives, the taxes he pays, and even the personal freedom enjoys depends so largely on what the administrator does or fails to do. Many of the sharpest social issues of the modern age, including how to combine freedom and organization resolve around this bureaucratize area of administration, naming administration a central interest of political theory and philosophy. Public administration is a continuous process and in this sense it is always undergoing reform. Thus in public administration, reform is a journey rather than a destination.

Reforms are an obvious response to the new challenges confronting the state institution managing public affairs, what lies at the root of such an exercise, is the effort enhancing administrative capability in the changed scenario. The term "administrative reform has different meanings in different nations (such as the United States and Europe) it means to reform the administrative system". It is a process of change administrative structures or procedures within the public services because they seem to have become inappropriate in the changed social

and political environment. In other nation including the developing countries, administrative system is considered as an instrument for social and economic transformation. The terms "Administrative Reforms", "Administrative Change" and "Administrative Reorganization" are used synonymously, although by strict definition, reform would stand for eradication of abuses in the existing system, change would mean modifications to suit ideological or socio-economic environment and reorganization would be reconstructing the existing system to suit current needs and new demands. In India, Administrative Reforms signify all these three aspects- remodeling to suit political change since Independence, change in character and behavior to cope with the new socio-economic environment and programs for the removal of evils that have crept into the system all behave urgent since independence. Administrative reforms is therefore a risk, a gamble, in which the odds are heavily against success because once institutionalized, administrative arrangements tend to stick and old habits die hard. It can take a generation for administrative behavior and values to change appreciably.

There are hardly any magical keys to administrative reforms. It is a long term process that requires the investment of talent, zeal and commitment, scarce resources and above all time whereas governments are usually short term and look for quick solutions Reforms, is argued by Caiden, 'tossed around like a boat in a storm since from conception to finality, is a long, arduous and difficult journey beset with numerous obstacles, unforeseen perils and unexpected surprises.'6 Actually, Administrative reform is not merely a technical exercise, instead it is a process involving the political interactions of stakeholders who actually determine the course of events. Many definitions fail to appreciate 'the politics of reform' and are thus unable to comprehend why reform programs have introduced measures they incorporate and why they may succeed, many operational definitions contains in excess of instrumental rationality

Check Your Progress 1

Note: i) Use the space given below for your answers.

1. Discuss the Administrative Reforms Commission

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2. Administrative Reforms since Independence in India

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3. Major Concerns Driving Administrative Reforms

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4. Important Committees and Commissions on Administrative Reforms since Independence

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13.3 FIRST ADMINISTRATIVE REFORMS COMMISSION

The first ARC was constituted by the Ministry of Home Affairs under Government of India by resolution no. 40/3/65-AR (P) dated 5 January 1966. In the resolution, the composition of the ARC, the mandate of the commission and the procedures to be followed was described.

A. Mandate

The Commission was mandated to give consideration to the need for ensuring the highest standards of efficiency and integrity in the public services, and for making public administration a fit instrument for carrying out the social and economic policies of the Government and achieving social and economic goals of development, as also one which is responsive to the people. In particular, the Commission is to consider the following:

1. The machinery of the Government of India and its procedures of work;

2. The machinery for planning at all levels;

3. Center-State relationships;

4. Financial administration;

5. Personnel administration;

6. Economic administration;

7. Administration at the State level;

8. District administration;

9. Agricultural administration; and

10. Problems of redress of citizen's grievances.

B. Exclusions

The Commissions may exclude from its purview the detailed examination of administration of defence, railways, external affairs, security and intelligence work, as also subjects such as educational administration already being examined by a separate commission. The Commission will, however, be free to take the problems of these sectors into account in recommending reorganization of the machinery of the Government as a whole or of any of its common service agencies.

C. Recommendation Reports

The Commission submitted the following 20 reports before winding up in mid-1970s:

1. Problems of Redress of Citizens Grievances (Interim)

2. Machinery for Planning

3. Public Sector Undertakings

4. Finance, Accounts & Audit

5. Machinery for Planning (Final)

6. Economic Administration

7. The Machinery of GOI and its procedures of work

8. Life Insurance Administration

9. Central Direct Taxes Administration

10. Administration of UTs & NEFA

11. Personnel Administration

12. Delegation of Financial & Administrative Powers

13. Center-State Relationships

14. State Administration

15. Small Scale Sector

16. Railways

17. Treasuries

18. Reserve Bank of India

19. Posts and Telegraphs

20. Scientific Departments

The above 20 reports contained 537 major recommendations. Based on inputs received from various administrative Ministries, a report indicating implementation position was placed before the Parliament in November, 1977.

It is in a time of grave economic crisis that the attention of a nation's leadership turns to administrative reform. After the armed conflict with China in 1962 and the successive years of drought, the economic situation of the country was worsening. Around 1965, India apparently found itself at the nadir of its fortunes. In 1966, the most comprehensive examination of India's Public Administration was entrusted to a high-powered Administrative Reforms Commission under the Chairmanship of Morarji Desai (later K. Hanumanthriya). Hitherto, similar commissions were as a rule manned by civil servants. The ARC made a departure from such a practice as its membership was drawn from public life, which was a distinct feature. The ARC was the single most comprehensive investigation into the country's public administration in independent India. The commission was entrusted with onerous responsibility and given comprehensive terms of references, namely, "to examine the public administration of the country and make recommendations for reform and reorganization where necessary."

1. The Machinery of the Government of India and its procedures of work.

       ii.   The grouping of subjects in departments.

iii.   The role of the cabinet secretariat.

iv.   Problems of inter-Ministry Coordination.

v.   Staffing patterns and methods of work within ministries and departments.

vi.   Relationship between ministries and their attached and subordinate offices.

2. The Machinery for planning at all levels:

Planning originations and procedures at the center and in the states, and the relationship of the planning commission at the center and planning agencies in the states with other agencies.

3. Central State Relationships

Center – State relationship in the realm of planning and development with particular reference to the growth of central agencies handling concurrent and state list subjects.

Center – State relationships in other spheres, with particular reference to the needs of national integration and of maintaining efficient standards of administration throughout the country.

4. Economic Administration

Currency, banking and financial institutions, international trade, foreign aid and foreign exchange for company affairs, problem relating to incomes, wages and prices.

5. Industrial Administration

Economic growth, industrial licensing, import of technical know-how also problems relating to incomes, wages and prices in common with specialization.

6. Social and Educational Administration

Social welfare and family planning, urban development, labor welfare and industrial relations, factory and labor inspection, information and public relations.

7. Finance, Accounts and Audit

(i)   The department and organization which are in direct charge of development programs should introduce performance budgeting, which would interest financial outlays with physical targets and achievement and present estimates and expenditure in terms of functions, programs, activities and procedures.

(ii)   The audit should aim at a positive and constructive approach directed towards seeking improvements in organizational efficiency and effectiveness of financial rules and procedures.

(iii)   The 1st of November should begin the financial year, so as to facilitate a more realistic assessment of revenue and an even spread of expenditure.

8. Personnel Administration

i.   Personnel planning and organization for it.

ii.   Recruitment policy and procedures, including selection techniques.

iii.   The Union Public Service Commission and the State Public Service Commissions

iv.   Promotes policies and incentives

v.   Policies and rules governing conduct and discipline to ensure efficiency, honesty and maintenance of morale.

vi.   Training

vii.   The role of the Cabinet Secretary and the Ministries of Home Affairs and Finance. viii. Personnel management for public sector enterprises.

9. Agricultural Administration.

i.   The role of the Ministry of Food and Agriculture and other ministries concerned with agricultural production, and coordination between them.

ii.   Interrelationship between State Agriculture Departments, Community Development Organisations and other organizations concerned with agricultural production in the States.

iii. Organization for agricultural administration of the State and district levels.

iv. Coordination between research and extension organizations.

10. Problems of Redress of Citizens' Grievances.

i. The adequacy of the existing arrangements for the redress of grievances.

ii. Need for introduction of any new machinery or special institutions for redress of grievances.

iii. Special officers should be established for the redress of citizens' grievances. There should be one authority-Lok Pal-dealing with complaints against the administrative acts for ministers or secretaries to government at the center and in the states.

The most important recommendations relate to the structural transformation of the central government, including the composition of the cabinet and other governmental departments, responsible for developing plans and programs. Suggesting a maximum strength of forty five for the central cabinet, the commission defined the role of the prime minister as a guide coordinator and supervisor of a collectivity, known as the cabinet.

13.4 SECOND ADMINISTRATIVE REFORMS COMMISSION

The Second ARC was set up with a resolution no. K-11022/9/2004-RC of the Government of India as a committee of inquiry to prepare a detailed blueprint for revamping the public administration system.

Composition of the Second ARC

- Veerappa Moily - Chairperson
- V. Ramachandran - Member
- Dr. A.P. Mukherjee - Member
- Dr. A.H. Kalro - Member
- Jayaprakash Narayan - Member
- Vineeta Rai - Member-Secretary

Veerappa Moily resigned with effect from 1 April 2009. V. Ramachandran was appointed chairman. Jayaprakash Narayan resigned with effect from 1 September 2007.

Mandate

The Commission was given the mandate to suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government. The Commission was asked to, inter alia, consider the following:

(i)   Organisational structure of the Government of India

(ii)   Ethics in governance

(iii)   Refurbishing of Personnel Administration

(iv)   Strengthening of Financial Management Systems

(v)   Steps to ensure effective administration at the State level

(vi)   Steps to ensure effective District Administration

(vii) Local Self-Government/Panchayati Raj Institutions

(viii) Social Capital, Trust and Participative public service delivery

(ix)   Citizen-centric administration

(x)   Promoting e-governance

(xi)   Issues of Federal Polity

(xii) Crisis Management

(xiii) Public Order

Exclusions

The Commission was to exclude from its purview the detailed examination of administration of Military defense, railways, external affairs, security and intelligence, as also subjects such as Centre-state relations, judicial reforms etc. which were already being examined by other bodies. The Commission, however, be free to take the problems of these sectors into account in recommending re-organization of the machinery of the Government or of any of its service agencies.

Working of Second ARC

The Commission will devise procedures (including for consultations with Indian foreign services), and may appoint committees, consultants/advisers to assist it. The Commission may take into account the existing material and reports available on the subject and consider building upon them. The Ministries and Departments of the Government of India will furnish information and documents and provide other assistance as may be required to the Commission. The Government of India in allegory to the State Governments and only other concerned to extend their solidarity and assistance to A Commission.

Recommendation reports

The commission has presented the following 15 Reports to the A Commission for consideration:

1. Right to Information - Master Key to Good Governance (09.06.2006)
2. Unlocking Human Capital - Entitlements and Governance-a Case Study (31.07.2006)
3. Crisis management - From Despair to Hope (31.10.2006)
4. Ethics in Governance (12.02.2007)
5. Public Law and Order - Justice for each..... Peace for all. (25.06.2007)
6. Local Governance | (27.11.2007)
7. Capacity Building for PEACE Resolution - Friction to Fusion (17.3.2008)
8. Combating Terrorism
9. Social Capital - A Shared Destiny
10. Refurbishing of Personnel Administration - Scaling New Heights
11. Promoting e-Governance - The Smart Way Forward (A. 20.01.2009)
12. Citizen Centric Administration - The Heart of Governance
13. Organisational Structure of Government of India
14. Strengthening Financial Management Systems
15. State and District Administration

Implementation of recommendations

The Government constituted a Group of Ministers (GoM) on 30 March 2007 under the Chairmanship of the then External Affairs Minister to consider the recommendations of the Second ARC and to review the pace of implementation of the recommendations as well as to provide guidance to the concerned Ministries/Departments in implementation. It has since been reconstituted under the Chairmanship of Union Finance Minister on 21 August 2009. Core Group on Administrative Reforms under the Chairmanship of Cabinet Secretary has finished examination of all the 15 reports. This Group of Ministers has so far considered fifteen reports:

1. Right to Information: Master Key to Good Governance (First report)
2. Unlocking human capital: Entitlements and Governance – a Case Study relating to NREGA (Second Report)
3. Crisis Management From Despair to Hope (Third report)
4. Ethics in Governance (Fourth Report)
5. Public order (Fifth Report)
6. Local Governance (Sixth Report)
7. Capacity Building for Conflict Resolution (Seventh Report)
8. Combating Terrorism Protecting by Righteousness (Eight Report)
9. Social Capital-A Shared Destiny (Ninth Report)
10. Refurbishing of Personnel Administration- Scaling new Heights (Tenth Report)
11. Promoting e-governance: The smart way Forward (Eleventh Report)
12. Citizen Centric Administration – The Heart of Governance (Twelfth Report)
13. Organisational Structure of Government of India (Thirteenth Report)
14. Strengthening Financial management System (Fourteenth Report)
15. State and District Administration (Fifteenth Report)

The decisions of GoM on these reports are at various stages of implementation. The report on "Combating Terrorism (Eighth Report)" has been handled by the Ministry of Home Affairs and it is understood

that necessary action has already been taken on this report. Thus, in all 12 Reports have been considered, so far. Remaining three reports (Report No.V, X, and XIV) are also shortly being put up for consideration of GoM. The Cabinet in its meeting held on 3 December 2009 had taken note of the progress of action taken in respect of second report (Unlocking human capital) relating to NREGA and in its meeting held on 29 December 2009 has taken note of the progress of action taken in respect of the first report (Right to Information) and third report (Crisis Management).

The Government of India set up the Second Administrative Reforms Commission (ARC) on August 31, 2005 under the chairmanship of Shri Veerappa Moily to prepare a detailed blueprint for revamping the Public Administration System. The commission was asked to suggest measures to achieve a "proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government. Further, unlike the first ARC, the commission of inquiry was asked to look into about. The commission consists of the following :

(i)   Ramachandran - Chairperson,

(ii)   Dr. A.P. Mukherjee - Member,

(iii)   Dr. A.H. Kalra - Member,

(iv)   Dr. Jayaprakash Narayan - Member,

(v)   Veenita Rai - Member Secretary.

Veerappa Moily resigned with effect from 1st April, 2009. V. Ramachandran was appointed Chairman. Dr. Jayaprakash Narayan resigned with effect from 1st September 2007.28 The Commission was to exclude from its purview the detailed examination of administration of defense, railways, external affairs, security and intelligence, as also subjects such as countries, state relations, and judicial reforms etc. which were already being examined by other bodies. The commission was however, be free to take the problems of this sector into account in recommending re-organization of the machinery of the government or any of its service agencies.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. Discuss the First Administrative Reforms Commission

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2. Write about Second Administrative Reforms Commission

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13.5 REPORTS ON INDIAN ADMINISTRATION, 1946-2003

3. Report on the Reorganization of Central Government Chairman, Richard Tottenham), 1946, this report is significant in understanding Independent India's Public Administrations hence, it enumeration here.

4. The Secretariat Reorganization Committee (Girija Shankar Bajpai, 1942).

5. The Central Pay Commission (Services Vardachariar, 1947)

6. The Economic Committee (Kasturbai Lal bhai), 1948

7. Report on Reorganization of the Machinery of Government (N. Gopalaswami Ayangar) 1949.

8. Report on Public Administration (A.D. Gorwala) 1951.

9. Report on the efficient conduct of State enterprises (A.D. Gorwala), 1951.

10. The Machinery of Government- Improvements of efficiency (R.A. Gopalaswami), 1952

11. Public Administration in India- Report of a Survey (Paul H. Appleby) 1953

12. Estimates Committees Ninth Report on Administration, Financial and other reforms (First Lok Sabha) 1953-54.

13. The Railway Corruption Enquiry Committee (K.J. B. Kriplani). 1955

14. Notes on Change Necessary in System of Budgetary and Financial Control (Asoka Chanda), 1956.

15. Re- examination of India's Administrative System with special reference to Administration of Government's Industrial and Commercial Enterprises (Paul H. Appleby), 1956.

16. The Public Services (Qualifications of Recruitment) Committee (A. Ramaswami Mudarai), 1956.

17. The Balwant Rai Mehta Committee on Community Projects and National Extensions Services 1957.

18. The Second Pay Commission (Jaganadha Das), 1959.

19. Staff Welfare Review Committee (Fateh Singh), 1961.

20. Report on Indian and State Administrative Services and Problems of District Administration (V.T. Krishnamachari) 1962.

21. The Committee on Preventions on Corruptions (K. Santhanam) 1964.

22. The Administrative Reforms Commission (Chairman Morarji Desai later K Hanumanthiya), 1966-70

23. The Third Central Pay Commission (Raghubir Dayal), 1973

24. The Committee on Recruitment Policy and Selection Method (D.S. Kothari), 1976

25. The Ashok Mehta Committee on Panchayati Raj Institutions, 1977.

26. The National Police Commission 1977

27. The Economic Administration Reforms Commission (Chairman. L. K

    1. Jha) 1981-85

28. The Fourth Central Pay Commission Report, 1983.

29. Sarkaria Commission on Center –State Relations, 1983.

30. The Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Program (CAARD (Chairman, G.V.K. Rao), 1985- 98.

31. The Committee to Review the Scheme of Civil Service Examination (Satish Chandra) 1988-1989.

32. Dr. Raji. J. Chelliah Committee on the Tax reforms 1991-92.

33. The fifth pay commission report, April 9, 1994- January 30, 1997.

34. The Expenditure Reform Commission (K.P Geethakrishnama), 2001

35. The Committee on Performance Evaluation (Lt. Gen. Surendra Nath), 2003.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1. Reports on Indian Administration, 1946-2003

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13.6 LET US SUM UP

Deliberate use of authority and influence in applying new measures to an administrative system in order to change its goals, organizational structures, and procedures with the aim of increasing quality, efficiency, and effectiveness in the development of the services provided. Learn more in: Portal for Employees in the Public Sector: A Tool for Knowledge Management in Human Resources.Modernization techniques to improve the performance of bureaucratic programs and agencies.It is any initiative to improve the management performance of any public organization or institution in government by using managerial techniques, best practices, and recommendations.

13.7 KEY WORDS

Reform:Reform means the improvement or amendment of what is wrong, corrupt, unsatisfactory, etc. The use of the word in this way emerges in the late 18th century and is believed to originate from Christopher Wyvill's Association movement which identified "Parliamentary Reform" as its primary aim.

Committee:A committee is a body of one or more persons that is subordinate to a deliberative assembly. Usually, the assembly sends matters into a committee as a way to explore them more fully than would be possible if the assembly itself were considering them.

Commission:Commissions are a form of variable-pay remuneration for services rendered or products sold. Commissions are a common way to motivate and reward salespeople. Commissions can also be designed to

encourage specific sales behaviors. For example, commissions may be reduced when granting large discounts.

ARC: Administrative Reforms Commission

13.8 QUESTIONS FOR REVIEW

1. Write about Administrative Reforms Commission
2. Discuss about the Administrative Reforms since Independence in India
3. What is the Major Concerns Driving Administrative Reforms?
4. Discuss the Important Committees and Commissions on Administrative Reforms since Independence
5. What is the Implementing Aadhar or Unique Identification Authority of India?
6. How to do the Reforms in Financial Management?
7. Write about the Reforms in Human Resources Development
8. What are the Problems of implementing the Reforms?
9. Discuss about the First Administrative Reforms Commission
10. Write about the Second Administrative Reforms Commission

13.9 SUGGESTED READINGS AND REFERENCES

- Department of Administrative Reforms & Public Grievances Archived 6 February 2011 at the Wayback Machine
- Mehta, Vinod (2000). Reforming Administration in India. Har-Anand Publications. p. 260.
- Harrington, Mona. The Dream of Deliverance in American Politics. New York: A.A. Knopf, 1986. x, 308 p. ISBN 0-394-54973-2

13.9 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1) See Sub Section 13.2.1
2) See Sub Section 13.2.2

3) See Sub Section 13.2.3

4) See Sub Section 13.2.

Check Your Progress 2

1) See Sub Section 13.3

2) See Sub Section 13.4

Check Your Progress 3

1) See Section 13.5

UNIT -14: E-GOVERNANCE

Structure

14.0 OBJECTIVES

After studying this Unit, you should be able to:

- • To discuss the concept and significance of e-governance;
- • To explain the various stages of e-governance;
- • To examine the various models of e-governance; and
- • To analyse the issues and challenges.

14.1 INTRODUCTION

"Government's foremost job is to focus society on achieving the public interest. Governance is a way of describing the links between government and its broader environment - political, social, and administrative." – Thomas B Riley

Government, governance and democracy have been with us for a long. Government and governance are both about getting the consent and cooperation of the governed. Government is the formal apparatus for this objective, governance is the outcome as experienced by those on the receiving end. Governance in the public context is closely related to government and democracy, but has a different focus. These three concepts can be considered as different views or political entities. Government is the Institutional view. Democracy is the legitimacy view and Governance is the regulatory view. The role of information in all areas of the private sector and in government is now paramount for continued growth and stability in our societies. Information has become the lynchpin in the way we think, act and operate as a society.

The significance of the growth of ICTs, new technologies, the Internet and the rapid placement of information and conception of information is the "potential" for change these phenomena are creating. These are pressing issues for modern governments as the new technologies are contributing to the creation of faster communications, the sharing of information and knowledge, and the emergence of new forms of our respective cultures. Networked communities are quickly evolving through the Internet, and citizens are increasingly using the new technologies to organize themselves so their voices can be heard, and to

develop tools to attempt to influence government policy and programs at the political and public administration level.

It is important to put the whole question of how ICTs will be used to further engage the citizenry into a wider context of democracy as we practice it. The current trend of attaching 'e' to just about every topic (like E-Commerce, E-Learning, E-Health, E-Governance) is nothing more than a simple way to create a name for the use of information and communications technology to support the tasks within the topic. More importantly, the use of terms such as e-government, e-governance and e-democracy, leads to the creation of an identifiable discipline. This then widens the development of the subject beyond the parameters of simply government boundaries to the larger spheres of civil society, associations, unions, the business community, international organizations and the academic world. Governance is not a synonym for government. We will study in the next section how the concepts of E-Governmentt and E-Governance differ and how workable they are in our new digital environments.

Reinventing government has been a dominant theme since 1990s, wherein governments world over are attempting to improve the systems of public service delivery. Rapid strides made in the field of Information and Communication Technology (ICT) have facilitated the reinvention of governments and prepared them to serve the needs of a diverse society. In other words, the information age has redefined the fundamentals and transformed the institutions and mechanisms of service delivery forever. The vision is the articulation of a desire to transform the way government functions and the way it relates to its constituents. The concept of electronic governance, popularly called e-governance, is derived from this concern. Democracies in the world share a vision of the day when e-governance.

India has been at the forefront of the IT revolution and has had its effect on the public administration systems, as we would see later in this Unit. In fact, if the potential of ICTs are harnessed properly, it has a lot of

opportunities, especially, in the social and economic growth of the developing world. Global shifts towards increased deployment of IT by governments emerged in the nineties, with the advent of the World Wide Web. What this powerful means to publish multimedia, support hyperlinked information and interactive information meant was a clearer avenue for G to C interactions and the promise of the attainment of the goals of good governance. Governments weighed down by the rising expectations and demands of a highly aware citizenry suddenly began to believe that there can be a new definition of public governance characterized by enhanced efficiency, transparency, accountability and a citizen-orientation in the adoption of IT enabled governance.

E-governance is beyond the scope of e-government. While e-government is defined as a mere delivery of government services and information to the public using electronic means, e-governance allows direct participation of constituents in government activities. Blake Harris summarizes the e-governance as the following; E-governance is not just about government web site and e-mail. It is not just about service delivery over the Internet. It is not just about digital access to government information or electronic payments. It will change how citizens relate to governments as much as it changes how citizens relate to each other. It will bring forth new concepts of citizenship, both in terms of needs and responsibilities. E-governance will allow citizens to communicate with government, participate in the governments' policy-making and citizens to communicate each other. The e-governance will truly allow citizens to participate in the government decision-making process, reflect their true needs and welfare by utilizing e-government as a tool. Governments are specialized institutions that contribute to governance. Representative governments seek and receive citizen support, but they also need the active cooperation of their public servants. Governance is the outcome of politics, policies, and programs.

14.2 CONCEPT OF E-GOVERNANCE

E-governance is the application of ICT to the processes of government functioning for good governance. In other words, e-governance is the

public sector's use of ICTs with the aim to improve information and service delivery, encourage citizen participation in decision-making and make government more accountable, transparent and efficient. The Ministry of Information and Technology states that e-governance goes far beyond mere computerization of stand-alone back office operations. It implies essential changes in government operations; and new set of errands for the legislature, executive, judiciary and citizens. According to the Comptroller and Auditor General, UK, e-governance means providing public access to information via the internet by government departments and their agencies. So in essence, e-governance is the application of ICT in government functioning to bring in SMART governance implying: simple, moral, accountable, responsive and transparent governance.

Simple- meaning popularization of rules, regulations and processes of government through the use of ICTs and thereby providing for a user-friendly government Moral- connoting emergence of an entirely new system of ethical values in the political and administrative machinery. Technology interventions improve the efficiency of anticorruption agencies, police, judiciary, etc.

SMART GOVERNANCE Accountable- facilitating design, development and implementation of effective Management Information System and performance measurement mechanisms and thereby ensuring accountability of public service functionaries. Responsive- streamlining the processes to speed up service delivery and make system more responsive. Transparent-bringing information hitherto confined in the government documents to the public domain and making processes and functions transparent, which in turn would bring equity and rule of law in responses of the administrative agencies.

• increasing government transparency in order to reduce corruption;

• reinforcing political credibility and accountability; and

• promoting democratic practices through public participation and consultation.

E-governance and E-government E-governance and e-government are often used interchangeably, so distinguishing between them at this stage is imperative. According to Thomas B. Riley government and governance are both about getting the consent and cooperation of the governed. But whereas government is the formal apparatus for this objective, governance is the outcome as experienced by those on the receiving end…. E-government can be more productive version of government in general, if it is well implemented and managed.

E-governance can evolve into participatory governance, if it is well supported with appropriate principles, objectives, programmes and architectures. E-government is, thus, the modernisation of processes and functions of government using the tools of ICT as to transform the way it serves its constituents. As per the World Bank, e-government refers to the use by government agencies of information technologies (such as wide area networks, internet and mobile computing) that have the ability to transform relations with citizens, businesses and other arms of government. It is the use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees. E-governance, on the other hand, goes beyond the service delivery aspects and is seen as a decisional process. It is about the use of ICTs in the systems of governance that is, using ICT to involve multistakeholders in decision-making and in making governments open and accountable.

4. E-Governance

The calculated objective of e-governance is to support and simplify governance for all parties - government, citizens and businesses. The use of ICTs can connect all three parties and support processes and activities. In other words, in e-governance uses electronic means to support and stimulate good governance. Therefore the objectives of e-governance are similar to the objectives of good governance. Good governance can be seen as an exercise of economic, political, and administrative authority to better manage affairs of a country at all levels, national and local.

5. E-Democracy

The two main objectives of e-democracy are:

• To provide citizens access to information and knowledge about the political process, about services and about choices available

• To make possible the transition from passive information access to active citizen participation by:

• Informing the citizen

• Representing the citizen

• Encouraging the citizen to vote

• Consulting the citizen

• Involving the citizen

6. E-Government

Regarding e-government, the distinction is made between the objectives for internally focused processes (operations) and objectives for externally focused services. External strategic objectives: The external objective of e-government is to satisfactorily fulfill the public's needs and expectations on the front-office side, by simplifying their interaction with various online services. The use of ICTs in government operations facilitates speedy, transparent, accountable, efficient and effective interaction with the public, citizens, business and other agencies. Internal strategic objectives: In the back-office, the objective of e-government in government operations is to facilitate a speedy, transparent, accountable, efficient and effective process for performing government administration activities. Significant cost savings (per transaction) in government operations can be the result. It can be concluded that e-governance is more than just a Government website on the Internet. Political, social, economic and technological aspects determine e-governance.

14.3 STAGES OF E-GOVERNANCE

Different phases of e-governance are identified on convinced set of criteria. These stages are:

• Simple information dissemination (one-way communication) - is considered as the most basic form, as it is used for merely disseminating information;

- Two-way communication (request and response)- is characterized with e-mail system and information and data-transfer technologies in the form of website;

- Service and financial transactions- is online services and financial transactions leading to web based self-services;

- Integration (both vertical and horizontal)- in this stage the government would attempt inter and intra-governmental integration; and

- Political participation- this stage means online voting, online public forums and opinion surveys for more direct and wider interaction with the government. Another classification of e-governance has six stages of which the first two are similar to that of the above classification. The remaining four are:

- Third stage- refers to multi-purpose portals, which allow customers to use a single point of entry to send and receive information and to process transactions across multiple departments;

- Fourth stage- consists of portal personalization, wherein customers are allowed to customize portals with their desired features;

- Fifth stage- is when government departments cluster services along common lines to accelerate the delivery of shared services and clustering of common services; and

- Sixth and final stage- technology is integrated further to bridge the gap between the front and back office. After our discussion of the concept and stages of e-governance, we will now deal with significant models of e-governance that can be used in designing e-government initiatives.

14.4 MODELS OF E-GOVERNANCE

Prof. Dr. Arie Halachmi in his paper, namely, 'E-Government Theory and Practice: The Evidence from Tennessee (USA),' has given five important models of e-governance, which can be used as a guide in designing e-government initiatives depending on the local situation and

governance activities that are expected to be performed. These models are:

We will now discuss these models individually.

14.4.1 The Broadcasting Model

The model is based on dissemination/broadcasting of useful governance information, which is in the public domain into the wider public domain with ICT and convergent media. The strength of the model rests upon the fact that a more informed citizenry is better able to judge the functioning of existing governance mechanisms and make an informed opinion about them. Consequently, they become more empowered to exercise their rights and responsibilities. Widespread application of this model corrects 'information failure situations' by providing people with the relevant information relating to the governance sphere to make informed opinion and impact governance processes. Further, the use of ICT opens an alternative channel for people to access information as well as validate existing information from different sources.

14.4.2 The Critical Flow Model

The model is based on disseminating/channelling information of critical value to the targeted audience or into the wider public domain with ICT and convergent media. The strength of this model is that ICT makes the concept of 'distance' and 'time' redundant when information is hosted on a digital network, and this could be used advantageously by instantly transferring the critical information to its strategic user group located anywhere or by making it freely available in the wider public domain.

14.4.3 The Comparative Analysis Model

This model is highly significant model for developing countries and can be used for empowering people. Essentially, the model continuously assimilates best practices in the areas of governance and then uses them as benchmarks to evaluate other governance practices. It then uses the result to advocate positive changes or to influence 'public' opinion on these governance practices. The comparison could be made over a time scale to get a snapshot of the past and present situation or could be used to compare the effectiveness of an intervention by comparing two similar situations. The strength of this model lie in the infinite capacity of digital networks to store varied information and retrieve and transmit it instantly across all geographical and hierarchal barriers.

14.4.4 The E-Advocacy/Mobilisation And Lobbying Model

This model builds the momentum of real-world processes by adding the opinions and concerns expressed by virtual communities. This model helps the global civil society to impact on global decision-making processes. It is based on setting up a planned, directed flow of information to build strong virtual allies to complement actions in the real world. Virtual communities are formed which share similar values and concerns and these communities in turn link up with or support real-life groups/activities for concerted action. Hence, it creates a diversity of virtual community and the ideas, expertise and resources are accumulated through this virtual form of networking. In addition, it is able to mobilise and leverage human resources and information beyond geographical, institutional and bureaucratic barriers and use it for concerted action.

14.4.5 The Interactive-Service Model

It opens avenues for direct participation of individuals in governance processes and brings in greater objectivity and transparency in decision-making processes through ICT. Fundamentally, ICT has the potential to

bring in every individual in a digital network and enable interactive (two-way) flows of information among them. Under this model, the various services offered by the Government become directly available to its citizens in an interactive manner. It does so by opening up an interactive Government to Consumer to Government (G2C2G) channel in various aspects of governance, such as election of government officials (e-ballots); redressing online of specific grievances; sharing of concerns and providing expertise; opinion polls on various issues; etc. (adapted from Prof. Dr. Arie Halachmi 'E-Government Theory and Practice: The Evidence from Tennessee, USA'). After our discussion about the models of e-governance, we will now focus on the legal and policy framework for the implementation of ICT and e-governance in the country.

Check Your Progress 1

Note: i) Use the space given below for your answers.

1.   What are the Stages of E-governance?

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2.   Discuss about the Models of E-governance.

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14.5 LEGAL AND POLICY FRAMEWORK

The following requirements have laid down the legal and policy framework for ICT and e-governance.

14.5.1 Information Technology Act 2000

The Action Plan endorsed by the Conference of Chief Ministers in 1987 had already addressed the pertinent issues of accountable and citizen friendly administration; and transparency and right to information. In pursuance of these issues, the Information Technology Act was

promulgated in 2000. The objective of the Act is "to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as 'electronic methods of communication and storage of information'; to facilitate electronic filing of documents with the Government agencies; and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Banker's Book Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto." Both e-commerce and e-governance transactions are covered under the ambit of this Act, which facilitates acceptance of electronic records and digital signatures. The Act, thus, stipulates numerous provisions. It aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The said Act further states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

CHAPTER III of the Act minutiae about 'Electronic Governance' and provides interalia amongst others that where any law provides that information or any other matter shall be in writing or in the typewritten or printed form, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is:

i.   rendered or made available in an electronic form; and

ii.   Accessible so as to be usable for a subsequent reference.

14.5.2 Report Of The Working Group On Convergence And E-Governance 2002-07

Report of the Working Group on Convergence and E-governance proposed the need for administration to transform itself from a passive information and service provider to a platform/ forum for the active involvement of citizens. This Report primarily concerned itself with public investments. It could not visualise the extent of private initiative that could be expected to come forth in the convergence area or in e-

commerce or allied segments. It felt the need to set up a central body for taking stock of the total IT picture in the country. This central body could be a 'Council for E-governance' or an adhoc 'Commission on Reengineering Administrative Procedures for E- governance.' Another alternative it suggested was to set up a National Institute of Smart Governance.

14.5.3 Common Minimum Programme

The prominence of e-governance has been recognised in the Common Minimum Programme of the UPA Government, which inter-alia states that e-governance will be promoted on a massive scale. It made a solemn pledge to the people of the country with a government that would be corruption free, transparent and accountable; and an administration that would be responsible and responsive at all times.

14.5.4 National E-Governance Plan

Three important elements of the National E-Governance Plan, which form the core infrastructure for effective service delivery are- Data Centres, State Wide Area Networks and Common Service Centres. The 10-point agenda of the Department of Information Technology announced for growth of ICT in the country includes expeditious implementation of a 'National E-Governance Plan' to bring about transparency and citizen centric approach in administration.

14.5.5 Expert Committee

An expert committee had also been constituted for the amendments in the IT Act 2000 to include the technological developments post IT Act 2000. The Expert Committee completed its deliberations and submitted its report in August 2005. Now the Expert Committee's recommendations have been put on the website of the Department of Information Technology for inviting public views and suggestions. The

Committee, during its deliberations, analysed some of the relevant experiences and international best practices. The Committee, while formulating its recommendations, kept in view the twin objectives of:

(i)   Using IT as a tool for socio-economic development and employment generation; and

(ii)   Further consolidation of India's position as a major global player in IT sector.

14.5.6 Right To Information Act 2005

The Right to Information Act 2005 confers on the citizens the right to:

i.   inspect works, documents and records of the government and its agencies;

ii.   take notes, extracts or certified copies of documents or records;

iii. take certified samples of material; and

iv.   obtain information in form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode.

This has ensured a transparent and accountable government to the people. It has also established a two-way dialogue between the citizens and the government. It has enabled citizens to make well-informed decisions. Further, it is an important step towards tackling corruption and has ensured better monitoring of services provided by the government.

14.6 SIGNIFICANCE OF E-GOVERNANCE

ICT applications impact upon the structures of public administration systems. Technological advancements facilitate the administrative systems by enabling:

14.6.1 Administrative Development; and

14.6.2 Effective Service Delivery

We will now discuss them individually.

14.6.1 Administrative Development

Administrative reforms, often, have focused on procedural details and restructuring of systems and processes of government organizations. The basic objective of these reforms is to enhance capacities of the systems. ICTs can be used and are being used now to give further impetus to the process. They help in the following manners:

• **Automation of Administrative Processes**

A truly e-governed system would require minimal human intervention and would rather be system driven. While initially the solutions that were offered were quite primitive with poor information layout, inadequate navigation provisions, occasional disruption in services, periodic outdated content and little or no 'back office' support. However, technological advancements and increased pressure from citizenry have prompted improvements in these areas. Now administrative departments are computerized and connected through network. Software has been built and designed around government departments ensuring efficiency in operations. The departments have launched individual websites carrying information of their respective departments. This has enabled online carrying of operations and file movements. Budgeting, accounting, data flow, etc. has become easy. This has increased the efficiency of office operations and processes and has reduced unnecessary delays.

• **Paper Work Reduction**

An immediate impact of automation would be on the paperwork. Paperwork is reduced to a greater extent with communication being enabled via electronic route and storage and retrieval of information in the electronic form. All this has led to emergence of 'less paper office'. This concept is defined as an office situation where all the information (file and mail) amongst various functionaries is distributed online. In the words of Dubey, less paper office is the implementation of effective electronic communication processes that enable elimination of reproductive works and unnecessary papers. The concept is where files and mails (information) are transmitted over wires to small computers at

each employee's desk. Office work, such as, file movements, noting, etc. is computerized and documentation, report preparation, databases are now maintained in computers. Due to interconnectivity through LAN, transfer of information and files take place online, thus reducing the physical movements and consumption and storage of huge piles of paper.

• Quality of Services

ICT helps governments to deliver services to the citizens with greater accountability, responsiveness and sensitivity. Quality of services improves, as now the people are able to get services efficiently and instantaneously. As volumes of transactions and information can be electronically handled and delivered over a wider area through the net and web, qualitative services become possible in least time, in least cost, in least difficulty and in greater convenience. By ensuring online redressal of grievances the accountability of officials is ensured. They have become sensitive to the issues affecting people. Monitoring by way of video teleconferencing has further facilitated central monitoring, reporting and face to face communication that has assured effective service delivery by the officials.

• Elimination of Hierarchy

ICT has reduced procedural delays caused by hierarchical processes in the organisation. Through Intranet and LAN, it has become possible to send information and data across various levels in the organization at the same time. Computerization and communication patterns facilitated by ICT have increased efficiency and have led to the involvement of all levels in decision-making.

• Change in Administrative Culture

Bureaucratic structures have been plagued by characteristics aptly described by Victor Thompson as 'bureau-pathology'. From the days of New Public Administration, efforts have been made to find ways to deal with the pathological or dysfunctional aspects of bureaucratic behaviour and to make delivery of public services effective and efficient. With e-governance, public actions coming under public glare would certainly

induce norms and values of accountability, openness, integrity, fairness, equity, responsibility and justice in the administrative culture. Rather, administration would become efficient and responsive.

14.6.2 Effective Service Delivery

ICTs play an important role in effectively delivering services to the people. ICTs ensure:

• **Transparency** by dissemination and publication of information on the web. This provides easy access to information and subsequently makes the system publicly accountable. Also as web enables free flow of information, it can be easily accessed by all without any discrimination.

• **Economic Development**

The deployment of ICTs reduces the transaction costs, which makes services cheaper. For example, rural areas suffer on account of lack of information regarding markets, products, agriculture, health, education, weather, etc. and if all this could be accessed online would lead to better and more opportunities and thereby prosperity in these areas.

• **Social Development**

The access to information empowers the citizens. Informed citizenry can participate and voice their concerns, which can be accommodated in the programme/ project formulation, implementation, monitoring and service delivery. Web enabled participation will counter the discriminatory factors affecting our societal behaviour.

• **Strategic Information System**

Changing organisational environment and increasing competitiveness have put pressures on the performance of the functionaries. Information regarding all aspects needs to be made available to the management at every point to make routine as well as strategic decisions. ICTs effectively enable putting such strategic information systems in place. After the above-mentioned discussion on the significance of ICTs in governance, we will now highlight certain measures that will enable its effective implementation.

Check Your Progress 2

Note: i) Use the space given below for your answers.

1. Information Technology Act 2000

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2. Significance of E-governance

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14.7 E-GOVERNANCE PROJECTS IN INDIA

E-Governance initiated in India during the seventies with a focus on in-house government submissions in the areas of defense, economic monitoring, planning and the deployment of ICT to manage data intensive functions related to elections, census, tax administration etc. The efforts of the National Informatics Center (NIC) to connect all the district headquarters during the eighties was a watershed. From the early nineties, e-governance has seen the use of IT for wider sectorial applications with policy emphasis on reaching out to rural areas and taking in greater inputs from NGOs and private sector as well. There has been an increasing involvement of international donor agencies such as DfID, G-8, UNDP, and WB under the framework of e-governance for development. While the emphasis has been primarily on automation and computerization, state endeavors to use IT include forays into connectivity, networking, setting up systems for processing information and delivering services. At a micro level, this has ranged from IT automation in individual departments, electronic file handling, and access to entitlements, public grievance systems, service delivery for high volume routine transactions such as payment of bills, tax dues to meeting poverty alleviation goals through the promotion of entrepreneurial models and provision of market information. The thrust has varied across initiatives, with some focusing on enabling the citizen-state interface for various government services, and others focusing on bettering livelihoods.

IT revolution, a word-wide phenomenon today has stirred societies and governments to embark upon IT-based social, educational and administrative processes. India, as one of the pioneering countries in I.T revolution has made a great stride in e-governance. Let us study some of the project state wise / union-territory wise from the Table 14.1

State/Union Territory	Initiatives covering departmental automation, user charge collection, delivery of policy/programme information and delivery of entitlements
Andhra Pradesh	e-Seva, CARD, VOICE, MPHS, FAST, e-Cops, AP online—One-stop-shop on the Internet, Saukaryam, Online Transaction processing
Bihar	Sales Tax Administration Management Information
Chattisgarh	Chhattisgarh Infotech Promotion Society, Treasury office, e-linking project
Delhi	Automatic Vehicle Tracking System, Computerisation of website of RCS office, Electronic Clearance System, Management Information System for Education etc
Goa	Dharani Project
Gujarat	Mahiti Shakti, request for Government documents online, Form book online, G R book online, census online, tender notice.
Haryana	Nai Disha
Himachal Pradesh	Lok Mitra
Karnataka	Bhoomi, Khajane, Kaveri,Mahiti, Smart Card System
Kerala	e-Srinkhala, RDNet, Fast, Reliable, Instant, Efficient Network for the Disbursement of Services (FRIENDS)
Madhya Pradesh	Gyandoot, Gram Sampark, Smart Card in Transport Department, Computerization MP State Agricultural Marketing Board (Mandi Board) etc
Maharashtra	SETU, Online Complaint Management System—Mumbai
Rajasthan	Jan Mitra, RajSWIFT, Lokmitra, RajNIDHI
Tamil Nadu	Rasi Maiyams–Kanchipuram; Application forms related to public utility, tender notices and display
North-Eastern States	
Arunachal Pradesh,	Community Information Center. Forms available on
Manipur, Meghalaya,	the Meghalaya website under schemes related to
Mizoram & Nagaland	social welfare, food civil supplies and consumer affairs, housing transport etc.

These are only a few to mention. Other than these there are several cities, state and individual department portals available and providing services to the public.

14.8 MEASURES TO BE CONSIDERED BEFORE GOING FOR E-GOVERNANCE

In accumulation to the need for a concrete set of goals and objectives the following are the detailed list of criterion and factors which are to be considered before opting for an E-Governance.

- Improve E-Readiness in aspect of E-Governance which includes human resources, budgeting resources, inter/intra departmental communication flows, society's readiness.
- Investment in Telecommunication infrastructure
- Internet connectivity speed
- Governmental human resources
- Budget resources
- E-Business atmosphere which includes legal framework and security of the information.
- Start with a simple approach and as with development of infrastructure and acceptance of E-Governance among the various entities, functions can be added in stages.
- Involve top leadership
- Promote awareness in the public about the importance and potential of E-Governance
- Encourage and support from all the departments
- Maintain consistent implementation
- Monitor assessment
- Ensure security
- Encourage private sector
- To start with plan locally, but keep the global user community in mind.
- Involve stakeholders such as high-tech companies, software houses, the banking sector etc.
- Adoption of international standards wherever possible minimizing customization thereby reducing the risks of software and compatibility problems.

14.9 WORKPLAN AND INFRASTRUCTURE

Once the vision and priorities are established, a detailed work plan helps maneuver the agencies and officials for implementing E-Governance projects. Some of the key elements on which the work plan, infrastructure and development of website should focus are:

- Content Development: These include development of applications, local language interfaces, and e-learning materials.
- Competency building: Training personnel for human resource development must be implemented at all levels.
- Connectivity: Intranet/Internet connections must be established across related agencies.
- eSecurity, eEthics and ePrivacy
- Two way communication flow
- Cyber laws: Providing legal framework to support objectives of EGovernance policies.
- Citizen Interfaces: Establishing a delivery channel to ensure accessibility & affordability of E-Governance by the citizens.
- Capital: Identifying revenue sources to help achieve a financial equilibrium. • Citizen oriented services to offer
- Other services
- Networking and gateways
- Feedback and interactivity
- Mailing
- Generation of on spot reports
- Transformation of forms
- Selection of platform independent languages like JAVA and .NET platforms for website development
- LINUX and UNIX based applications
- Selection of Open Standards s/w such SOAP, WSDL, XML, Open GIS etc.
- Use of VoIP (Voice over Internet Protocol)
- Use of Wireless LAN and 3G Technologies, wherever applicable.
- Use of multimedia

For many governments the world over, the choice of Open Source is a strategic one. This preference towards Open Source platforms is firstly because, acquiring and upgrading proprietary software is expensive. There is also the proposition that it is safer to entrust knowledge in the public domain to Open Source, which is also in the public domain, than to proprietary platforms. Thirdly, using open source would enable India to encourage our own software professionals to provide software support in the form of add-on applications that could be written at a cost much smaller than that required to buy multi-featured packaged software. This would also decentralize software production, from the current paradigm of large transnational production of packaged software. While Madhya Pradesh, Maharashtra and Goa have preferred Linux software in their official IT programmes, states like Punjab and Rajasthan fully rely on Windows while even Karnataka and Andhra Pradesh and the central government continue to base their initiatives on the windows platform in addition to Linux.

Check Your Progress 3

Note: i) Use the space given below for your answers.

1) Explain the National E-Governance Plan?

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2) List some of the E-Governance projects in India (state-wise).

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14.10 LET US SUM UP

Governance is a burning topic for many reasons, including the changing role of knowledge and information, a trend towards networks as an organizational form,globalization issues and, last but not the least

advances in ICTs. Like all the "e" subjects, E-Governance is about playing advanced information and communications technology to improve and support all tasks in the governmental domain. Public awareness and Digital divide is important issues to be addressed. E-Governance through regional languages is appreciable for the nations like India where people from several states are the participants. E-governance is not just the Internet as the common perception goes and governments need to move back in a certain sense, to re-appropriate the older communication tools like radio and cable TV. A critical mass of people is required to push e-governance to the next gear. In this unit, we had studied the role of ICTs in the public administration. In the next unit we will go through the ICTs in Education.

14.11 KEY WORDS

E-Administration: The use of ICTs to modernize the state; the creation of data repositories for MIS, computerization of records.

E-Services: The emphasis here is to bring the state closer to the citizens. Examples include provision of online services. E-administration and e-services together constitute what is generally termed e-government.

E-Governance: The use of IT to improve the ability of government to address the needs of society. It includes the publishing of policy and programme related information to transact with citizens. It extends beyond provision of on-line services and covers the use of IT for strategic planning and reaching development goals of the government.

E-Democracy: The use of IT to facilitate the ability of all sections of society to participate in the governance of the state. The remit is much broader here with a stated emphasis on transparency, accountability and participation. Examples could include online disclosure policies, online grievance redress forums and e-referendums.

ICTs : are the information and communication technologies such as, radio, computers, Internet, Intranet, Websites, and satellites; providing database, knowledge database, expert systems, Geographic Information System, Management Information System, video and audio teleconferencing.

State Wide: networks linking the state headquarters right up to the block Area Network level through National Informatics Centre Network.

National E-governance : seeks to implement 25 Mission Mode Projects at the Plan Centre, State and integrated service levels so as to create a citizen-centric and business-centric environment for governance, create governance and institutional mechanisms, set up core infrastructure, formulate key policies and channelize private sector technical and financial resources into the national e-governance efforts.

14.12 QUESTIONS FOR REVIEW

3.   Discuss Information Technology Act 2000

4.   Write about Significance of E-governance.

5.   Explain the National E-Governance Plan?

6.   List some of the E-Governance projects in India (state-wise).

14.13 SUGGESTED READINGS AND REFERENCES

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14.14 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

   1) See Section 14.3

   2) See Section 14.4

Check Your Progress 2

   1) See Sub Section 14.5.1

   2) See Sub Section 14.6

Check Your Progress 3

   1) See Section 14.9

   2) See Section 14.7