

SYLLABUS
SYBA
Political Science Paper III
Public Administration
(W.E.F. Academic Year 2013-2014 for Idol Students)

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Assignment/presentation related to above modules (5 Lectures)

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Assignment/presentation related to above modules (5 Lectures)

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Module I

AN INTRODUCTION TO PUBLIC ADMINISTRATION

Unit Structure

- 1.0 Objective
- 1.1 Introduction
- 1.2 Definition of Public Administration
- 1.3 Scope of Public Administration
- 1.4 Role and Importance of Public Administration.
- 1.5 Conclusion
- 1.6 Unit End Questions

1.0 OBJECTIVE

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

1.1 INTRODUCTION

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

1.2 MEANING OF PUBLIC ADMINISTRATION

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

Various definitions of Public Administration are as follows

1.2.1 Prof. Woodrow Wilson, the pioneer of the social science of Public Administration says in his book 'The study of Public Administration', published in 1887 "Public Administration is a detailed and systematic application of law."

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

Following thinkers have taken a broad view while defining Public Administration -

1.2.3 According to Simon

"By Public Administration is meant the activities of the executive branches of the national, state, & local governments."

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

1.2.4 According to Gullick

"Public Administration is that part of the science of administration which has to do with government and thus, concerns itself primarily with the executive branch where the work of the government is done."

1.2.5 According to Waldo

"Public Administration is the art and science of management as applied to the affairs of the state."

1.2.6 Marshall E. Dimock

"Administration is concerned with 'what' and 'How' of the government. What is the subject matter, the technical knowledge of a field which enables the administrator to perform his tasks? The 'How' is the technique of management according to which co-operative programmes are carried to success."

1.2.7 Conclusion

All above modern definitions of Public Administration emphasize the value based character of Public Administration and Public Administration as a science and art of administration. A close scrutiny of the definitions reveals that Public Administration has following important characteristics or features.

1.2.8 Important characteristics of Public Administration

1. It is part of executive branch of government.
2. It is related with the activities of the state.
3. It carries out the public policies.

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

1.3 SCOPE OF PUBLIC ADMINISTRATION

1.3.1 Introduction

The views of L.D. White and traditionalist on the one hand and those of Gullick and the scientific management school on the other hand differ regarding the nature and scope of Public Administration. Hence, we should understand various perspectives about the scope of Public Administration.

1.3.2 Scope

Following are the three important perspectives about the scope of Public Administration.

1. Narrow perspective or POSDCORB perspective.
2. Broad perspective or subject matter view.
3. Prevailing view.

1.3.3 Narrow perspective or POSDCORB perspective

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

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

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

1. 'P' stands for Planning

Planning is the first step of Public Administration. i.e. working out the broad outline of the things that need to be done.

2. 'O' stands for organization

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

3. 'S' stands for staffing

It means the recruitment and training of the staff and maintenance of favourable conditions of work for the staff.

4. 'D' stands for Directing

It means the continuous task of making decisions and embodying them in specific and general orders and instructions, and thus guiding the enterprise.

5. 'Co' stands for Co-ordination

It means inter-relating the various parts of organization such as branches, divisions, sections of the work and elimination of overlapping.

6. 'R' stands for Reporting

It means informing the authority to whom the executive is responsible as to what is going on.

7. 'B' stands for Budgeting

It means accounting, fiscal planning and control.

Evaluation

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

1.3.4 Broad perspective or subject - oriented perspective

Prof. Woodrow Wilson and L D While are main exponents of this perspective. They have taken a very broad approach about the scope of Public Administration.

According to them

- (A) Public Administration covers all three branches of the government - Legislative, Executive and Judicial and their interrelationship. Legislative organ makes the laws, Executive organ of the government implements the laws. And judicial organ of the government interprets the laws. There is interrelationship between these three organs.
- B) Scope of Public Administration is like a cooperative group. It consists of all from class one officer to class four employees.
- C) Public Administration is a part of the political process. It has an important role in the

formulation of public policy at all levels, from national to grassroots. It is closely associated with numerous private groups and individuals in providing services to the community. It has been influenced in recent years by the human relations approach.

1.3.5 Prevailing view

Prevailing view divides the scope of Public Administration into two parts.-

- 1) Administrative theory
- 2) Applied administration

1. Administrative theory

It includes the following aspects.

a) Organisational Theory

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

b) Behaviour

The functions of administrative authorities and the various methods appropriate to different types of functions, the various forms of control of administration.

c) Public Personal Administration

The problems concerning personnel e.g. recruitment, training, promotion, retirement etc. and the problems relating to planning, research, information and public relation services.

2. Applied administration

It includes the following aspects

a) Political functions

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

b) Legislative function

It includes delegated legislation and the preparatory work done by the officials in connection with the drawing up of bills.

c) Financial functions

It includes total financial administration from the preparation of the budget to its execution, accounting and audit etc.

d) Defence

Functions relating to military administration.

e) Educational function

It includes functions relating to educational administration.

f) Social welfare administration

It includes the activities of the departments concerned with food; housing, social security and development activities.

g) Economic Administration

It is concerned with the production and encouragement of industries and agriculture.

h) Foreign administration

It includes the conduct of foreign affairs, diplomacy, international cooperation etc.

i) Local administration

It concern with the activities of the local self-governing institutions.

1.3.6 Conclusion

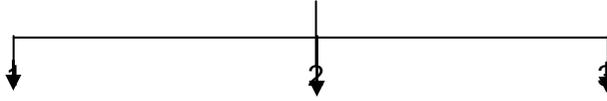
The modern state cannot confine its field of activities to only maintenance of law and order, dispensation of justice, collection of revenue and taxes. The modern state is expected to provide more and more services and amenities to the people. This results in tremendous growth both in the governmental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

1.3.7

Table - Scope of Public Administration



Three perspectives



Narrow perspective
or
POSDCORB

- 1) Planning
- 2) Organisation
- 3) Staffing
- 4) Directing
- 5) Co-ordination
- 6) Reporting
- 7) Budgeting

Exponent - Luther Gullick
View - Technique Oriented

Broad perspective

- 1) Covers all three branches of the government
- 2) like a cooperative group.
- 3) Part of political process

exponent - Woodrow Wilson
View - Subject oriented

Prevailing view divides the scope in two parts.

Administrative Theory

- 1. Organisational Theory
- 2. Behaviour
- 3. Public personal Administration.

Applied administration

- 1. Political functions
- 2. Legislative
- 3. Financial
- 4. Defence
- 5. Educational
- 6. Social Welfare
- 7. Economic

8. Foreign Administration

9. Local

1.4 ROLE AND IMPORTANCE OF PUBLIC ADMINISTRATION

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

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

1. It is the basis of Government

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

2. It is the instrument of change in the society

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

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

Today every aspect of human life comes within the range of Public Administration. Various departments of government such as education, social welfare, food, agriculture, health, sanitation, transport, communication etc. are run by the department of Public

Administration. Thus Public Administration is rendering various types of services to the people from birth to death of an individual.

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

Public Administration is carried on by the civil servants who are the permanent executives. Political executives i.e. ministers may come and go, systems of government or constitutions may undergo change but administration goes on forever. Hence, Public Administration is a great stabilising force in society. It is a preserver of the society and its culture.

5. It is instrument of national integration in the developing countries which are facing class wars

1.5 CONCLUSION

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

1.6 QUESTIONS – UNIT END QUESTIONS

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



EVOLUTION OF PUBLIC ADMINISTRATION AS A DISCIPLINE

(Changing Nature of Public Administration)

Unit structure

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

2.0 OBJECTIVE

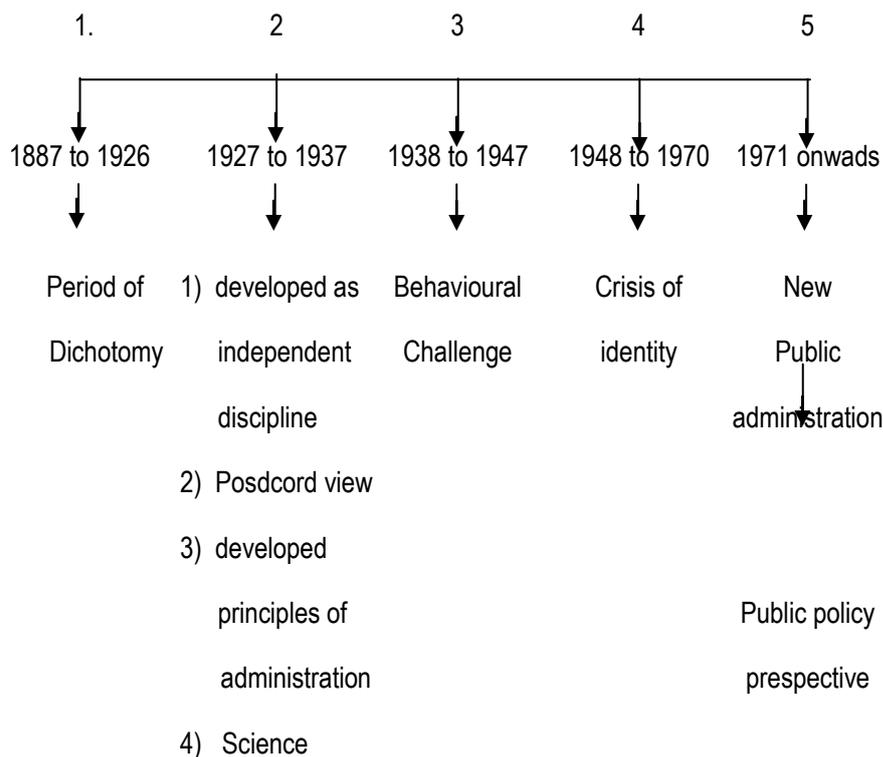
Today every aspect of human life is within the range of public administration. In that context we should understand the changing nature and new trends of Public Administration.

2.1 INTRODUCTION

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

2.2 CHANGING NATURE

It is divided into five phases.



2.2.1 Phase I - 1887-1926

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

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

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

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

administration execute these policies. Thus, Goodnow made a technical distinction between politics and administration.

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

Conclusion

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

2.2.2 Phase II - 1927-1937

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

In 1927, W.F. Willough has written a book "Principles of Public Administration." The title of the book indicates the new thrust in thinking and established the subject as an independent science.

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

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

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

Conclusion - Thus in this period subject acquired -

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

2.2.3 Phase III - 1938-1947

This period brought new changes in the nature of Public Administration

1. Some thinkers refuted politics administration dichotomy.
2. They challenged the claim of Public Administration as a science.
3. Emphasised the environmental effects on administrative behaviour.

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

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

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

2.2.4 Phase IV - 1948 to 1970

Owing to the challenge posed by the behaviouralist, the discipline of Public Administration passed through the crisis of identity in the fourth phase.

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

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

Kingsley saw Administration as a branch of Politics.

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

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

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

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

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

2.2.5 Fifth Phase 1971 onwards

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

1. Focus on the dynamics of administration.

2. It is considered as inter-disciplinary.
3. Talk of New Public Administration
4. New trends emerged – in the subject of Public Administration i.e.i) Comparative Administration
 - ii) Development Administration
 - iii) Market orientation - State and Market

1. Focus on the dynamics of administration

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

2. It is considered as inter-disciplinary

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

2.3 COMPARATIVE PUBLIC ADMINISTRATION

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

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

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

- b) Hence Comparative Public Administration means cross-cultural and cross national study of Public Administration.
- c) To understand impact of comparative Public Administration is necessary.
- d) Fred Riggs pointed out three trends in the Comparative study of public administration.
 - 1) From normative to empirical orientation.
 - 2) From ideographic to nomothetic orientation
 - 3) From non-ecological to ecological orientation

1. From normative to empirical orientation

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

ought to be” to ‘What is’.

2. From ideographic to nomothetic orientation

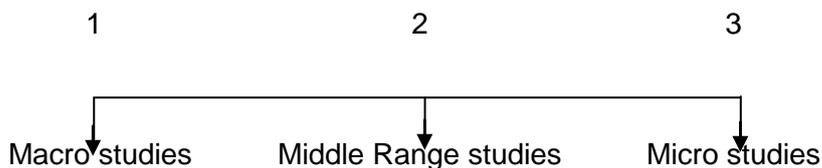
Ideographic orientation means study of one nation only or individualistic studies. e.g. concentration on the unique case or case study, the single country, the biography etc.

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

From non-ecological to ecological orientation

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

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



1. Macro studies

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

2. Middle Range studies

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

3. Micro studies

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

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

F) Ramesh Arora has summed up the elements of comparative public administration as under

1. Cross cultural Comparison
2. Developmental Dimensions
3. Ecological perspective

4. Goal orientation

1. Cross cultural comparison

It means broad comparisons among administrative system of western and non-western countries.

2. Developmental Dimensions

It means broad comparison of linkage with the question of modernisation.

3. Ecological perspective

It means comparative study of the interaction between the administrative system and their environment.

4. Goal orientation

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

2.3.2 Importance of the study of comparative public administration

1. Provide a scientific basis and help for theory building.

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

2. Contributes to a greater understanding

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

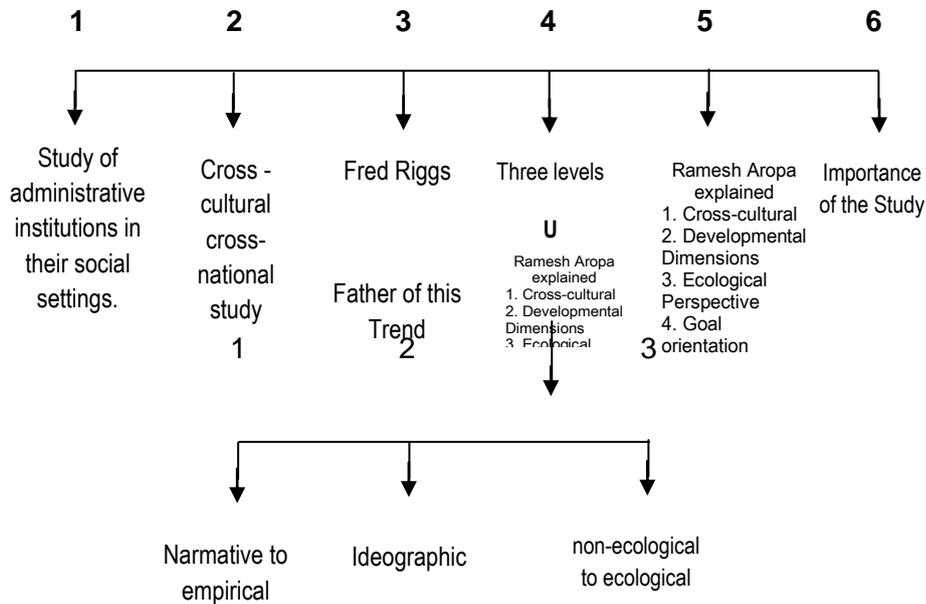
3. Can understand impact of environmental factors on administration

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

4. Academic utility

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

2.3.3 Table - Comparative Public Administration.



2.4 DEVELOPMENT ADMINISTRATION

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

2.4.1 Reasons :

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

1. Emergence of newly independent developing countries :-

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

2. Development schemes in the developing countries :-

These developments have had a profound impact on the public administration. The concern with administration for development has compelled attempts to formulate a system of thought capable of integrating complex socio-economic and political systems hitherto considered to be outside the area of public administration. Further, most

developing countries have realised that national development is essentially an integrated process of change. It is a dynamic process directed towards transforming the entire society, enmeshing its economic, social, political and administrative aspects, for an allround, balanced change.

3. Establishment of comparative Administration group in 1960-

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

2.4.2 Meaning and definitions of development administration :

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

2.4.3 Hallmarks of Development Administration

1. Change - oriented
2. Goal - Oriented and result oriented
3. Citizen participation in the administration
4. Commitment to development
5. integrated and holistic process
6. It has two sides – one is development programmes and other is Its implication
7. Its scope of Operation is wide.
8. Stress on planning
9. believes in decentralization.

1. Change - oriented

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

2. Goal-oriented and result-oriented

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

3. Citizen participation

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

4. Commitment to development

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

5. Integrated and holistic process

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

2.4.4

6. It has two sides

Firstly, it refers to the administration of developmental programmes, the methods used by large-scale organizations, especially governments, to implement policies and plans designed to meet developmental goals.

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

7. Its scope of operation is wide

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

8. Stress on planning

It is planned change. The administrative capabilities are strengthened to achieve developmental goals.

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

9. Believes in decentralization

Traditional administration believes in centralization. But Development administration believes in decentralization.

2.4.5 Difference between traditional public administration and Development Administration

Development Administration

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

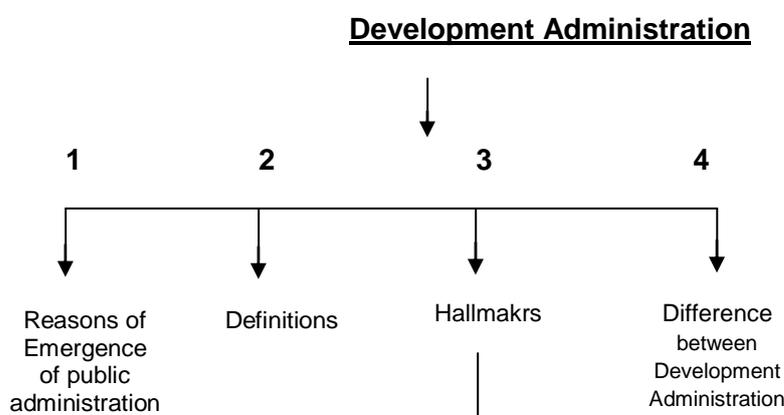
Traditional Public Administration

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

2.4.6 Conclusion

Though there is difference in public administration and Development administration, yet both are supplementary to each other. One cannot sustain in the absence of another.

2.4.7 Table



2.5 NEW PUBLIC ADMINISTRATION

Introduction :- In the evolution of Public Administration one more stage is the emergence of “New Public Administration.” During 1960s it was found that the science of Public Administration displayed unawareness of numerous socio-economic and political problems as well as its inadequacy to offer any solution to the problems.

2.5.1 Emergence

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

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

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

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

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

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

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

1. Rejected the value neutral view

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

2. Less generic and more public

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

3. Stress on Social equity

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

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

4. Anti-bureaucratic, anti-theoretic and anti-technical

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

5. Take client-oriented and socially Conscious view

In the third - world countries where Public Administration is in dire need of basic, qualitative transformation. New Public Administration displays an intense concern for relevant societal problems.

6. Stress on Decentralization of Administrative process

New Public Administration give importance to Institutional pluralism. Functions, responsibilities should be distributed in many parts.

7. Stress on qualitative transformation

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

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

2.6 CONCLUSION

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

Table - New Public Administration

1. Origin and development
2. Characteristics
3. Conclusion

2.7 QUESTIONS

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



Module II

**PUBLIC ADMINISTRATION IN THE AGE OF
LIBERALISATION, PRIVATISATION AND
GLOBALISATION****Unit Structure**

- 3.0 Objectives
- 3.1 Liberalisation
- 3.2 Privatisation
- 3.3 Globalisation
- 3.4 Public Administration since World War II
- 3.5 New Public Management
- 3.6 Good Governance
- 3.7 Public Choice Approach
- 3.8 Let's sum up
- 3.9 Suggested Reading
- 3.10 Questions

3.0 OBJECTIVES

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

- ◆ To understand the meaning and dynamics of globalization and liberalization.
- ◆ To understand the concept of New Public Management
- ◆ To understand the concept of Good Governance.

3.1 LIBERALIZATION

Liberalisation means liberating the economy. It helps in accelerating the process of globalisation, reduces government control over the economy and opens it for national and international business organisations. In this process the national and international organisations are treated differently. In some cases the national organisations may have an advantage over the international/multinational or transnational companies. National companies are protected. The pace of change is determined by the concerned government.

Public and private sector companies can coexist in a liberalised economy. Liberalisation basically involves ending of the monopoly of government owned companies. In the 1990s the Indian Government liberalised the insurance sector which was the monopoly of the Life Insurance Corporation of India (LIC), a government owned company. After liberalisation private national and international players entered the field. LIC continued to operate in the new environment still under government ownership and control. This example clearly indicates that liberalisation doesn't necessarily mean privatisation of all government owned companies.

Liberalisation encouraged competition among the players. Consumers had better options to choose from. In case of the insurance sector it was practically impossible for LIC alone to cater to the needs of the huge Indian insurance market. Private players in the insurance sector have helped to expand the insurance market. The use of state-of-the-art technology by these companies has simplified the transactions for the consumers and has also compelled the LIC and other government owned companies to modernise their business.

Check Your Progress

Liberalization refers to (Select odd man out)

- | | |
|----------------------|--------------------|
| 1. Market regulation | 2. Privatization |
| 3. Deregulation | 4. Democratization |

3.2 PRIVATISATION

The acceptance of policy of globalisation and liberalisation naturally leads to privatisation. It is also known as disinvestment. It means selling off public sector enterprises to private industries. In some cases the government reduces its own share in the public sector companies – e.g. Some shares of the Maruti Udyog Ltd. were sold in the open market through an initial public offer (IPO). Videsh Sanchar Nigam Ltd. (VSNL) was sold to the TATA group. Centaur hotels in Mumbai at Santacruz and Juhu were sold to private companies. The Ashoka group of hotels, a government owned chain of hotels in various cities in India was sold to the private sector companies. BSES (Bombay suburban electric supply) was sold to Reliance group of industries. After 1990 many public sector industries were privatised. Private sector telecom players have asked the government to privatise BSNL and MTNL, the two telecom giants in the public sector.

The disinvestment department was established in 1999 under the finance ministry. It supervises the disinvestment process in the country as a whole. Private industrialists have always asked for the privatisation of profit making public sector units. (PSU) Disinvestment releases the financial burden of the government. Funds which are released can be invested in welfare activities.

The LPG policies have proved to be beneficial for the upper class people in India. They have become richer. There are now many Indian industrialists listed by the Forbes magazine among the first hundred richest people in the world. We have many private airlines providing national and international services, FM radio stations broadcasting 24/7, Satellite television, malls, mobile phones, improved telephone services, international universities, call centres and fat salaries for the youngsters, broadband internet, E-commerce, E-trading, E-governance, full computerisation and national and international networking of banks, improved highways and three lane and four lane cement expressways, better railway services etc.

The industrial and the service sector received many concessions. Their profit margins have increased. Now we have Indian multinationals. Many of these Indian multinational companies are aggressively involved in mergers and acquisitions world wide. Share markets are attracting the neo rich and the rising middle class. Investment in the share market has no longer remained a taboo for the middle class. Initial public offers are being oversubscribed heavily. (The initial public offer of Aditya Birla group company Idea Cellular in February 2007, was oversubscribed more than 57 times, generating the highest ever demand of Rs 1,21,557 crore -- surpassing Rs. 1,13,850 crore registered by the Reliance Petroleum IPO last year. The Reliance Petroleum IPO was oversubscribed 52 times - Economic Times). The Rupee has gained strength against the Dollar over the past few years.

But LPG process has its darker side also. All over India suicide cases of small and landless farmers are on the rise. They are heavily indebted. Rising unemployment is another grave problem among urban youth. Government has stopped almost all new recruitment in the administration. In the private sector lay offs and salary cuts have become routine. Often the pink slip (official notice telling you that you have been fired from your job) is issued to the employees. Private jobs are becoming more and more insecure. Many workers lose their jobs at the age of 40 or 45 as a result of the company offering 'voluntary

retirement schemes'. Welfare schemes are closed down by the government. It has also reduced its spending on the education sector. Teachers are appointed temporarily on contract basis in schools and colleges, tuition fees for schools and college have been hiked.

Property prices in urban and semi urban areas have been zooming up making it impossible for the poor and the middle class to own even a small house there. They shift to remote suburbs, where they can have houses at comparatively cheaper rates and prefer to commute daily to the central business district through a poor public transport system for jobs. We have five star hospitals catering to the needs of the rich and the foreigners who enjoy medical tourism and poor medical facilities for the rural areas.

Urban centres are experiencing unplanned development. Slums and crime are on the rise in these areas. Encroachment on forest land is another problem. It is badly affecting the environment.

3.3 GLOBALIZATION

Globalization means

- “Integrating and connecting cultures and communities in new space-time combinations, and ‘making the world in reality and in experience more interconnected”

Hall

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

Friedman

Globalisation is a complex concept. In this chapter we will basically consider economic globalisation. Globalisation in that sense means opening up the economic system of a nation to the world – to all other countries and particularly to the companies in other countries for all types of trade and commerce. Nations open up their systems and expect that other nations will follow suit.

The global economic system before 1980 was a closed system to a large extent. Many tariff and non tariff trade barriers existed. Barriers were created to protect the domestic economy. The volume of global trade was very limited. Smuggling of electronic goods and gold from the developed nations to the developing nations was rampant as there existed a demand for these commodities in the markets of developing countries and no legal channel was available to fulfil the demand. All types of imports were heavily taxed, some totally banned. There were many restrictions for foreign companies to operate in India. Communist systems didn't allow their citizens to have private property beyond certain essentials as a home or a two wheeler. But in the 1990s the world has changed upside down. The communist systems collapsed one by one, third world nations started opening up their economies, adopting liberal policies. This process gained momentum particularly after the fall of the Soviet Union in 1991.

The process of liberalisation and globalisation was initiated by US and UK in the 1980s. Following factors gave a boost to the process:-

1. The fall of the Berlin wall in 1989 and the union of east and West Germany.
2. The anti-communist revolutions in the erstwhile Communist countries dominated by USSR such as Hungary, Romania, Poland, Czechoslovakia, East Germany, Bulgaria, Albania, etc.
3. The disintegration of Communist Yugoslavia into three different republics of Bosnia & Herzegovina, Croatia and Slovakia based on ethnicity.
4. The disintegration of the USSR and creation of 15 independent republics. (Estonia, Latvia, Moldavia, Ukraine, Uzbekistan, Tajikistan, Armenia, Georgia, Kazakhstan, Azerbaijan, Turkmenistan, Kyrgyzstan, Lithuania, Byelorussia -now Belarus - and Russia.)

Particularly after the fall of the Soviet Union the process of Liberalisation, Privatisation and Globalisation (LPG) was made irreversible.

Globalisation proved beneficial to the developed nations of the world. The developing nations can't compete with the superior technology of the developed nations. The developed nations have advanced production techniques, information technology, expertise in the fields of law and finance. With the help of these factors the developed nations compete with the comparatively backward countries. They always remain ahead of the developing countries.

But for the developing nations it's a different story. They get capital and modern technology. There is no doubt that they are benefited by implementing and participating in Liberalisation, Privatisation and globalisation but the process has its problems also. There are cultural conflicts, and the problem of layoffs and unemployment which is the result of use of modern capital intensive technology.

China and Russia have adopted LPG in a different manner. China started changing its system gradually from 1979 onwards. Maintaining the communist character of the political system it opened up its economy for the world. It invited foreign direct investment on its own terms and requirements. Today after 30 years it has evolved as a giant economy. It has the potential to become an economic superpower. US considers it as a major threat.

On the contrary Russia adopted the process of LPG in haste as suggested by the international financial institutions (IFIs) – the IMF – the International Monetary Fund and the World Bank in the post 1991 period. It was just like a 'shock treatment' to the economy. The fragile economy can't survive the shock and sent Russia into doldrums. It recovered only after Mr. Putin emerged as the new leader of Russia, in 1999, after Yeltsin, stopped following the directions of the IFIs and adopted domestically suitable economic policies.

The process of globalisation is complex. Development in the world is not equal. All nations have not achieved the optimum level of development. A few are highly developed, some are developing and others are least developed.

1. Developed nations include the northern part of the world which includes US, Canada, European Union, the oil producing countries in the gulf, Australia, Japan and Russia

2. India, Brazil and other major Latin American countries can be categorized into developing nations.
3. Countries in the sub-Saharan Africa are the poorest in the world. They are also experiencing worst kind of conflict in the world.

The attitude of a particular country towards the process of globalisation largely depends upon its economic condition. The developed countries have benefited most from the process of globalisation so they are the most aggressive and active supporters of globalisation. The developing and backward nations have a mixed reaction. Some feel threatened by the process as they feel that they will not be able to cope up with the fierce competition posed by the giant corporations from the developed nations. Some have accepted the process as inevitable.

Within the nations we observe a similar picture. The rich support the process of globalisation whereas the poor are badly affected by the process. For example in India the Ambanis and Birlas are campaigning for faster implementation of the process of LPG whereas the left parties which claim to represent the workers and the poor sections of the Indian society are vehemently opposing the process. Reliance, Tata group of industries, Infosys, Wipro have emerged as the new Indian Multinationals.

Foreign investment both in the form of FDI (Foreign Direct Investment) and Portfolio investment has its pros and cons. It facilitates the acceleration of the process of development by providing and assuring the continuous flow of capital as and when required. But the continuity is not guaranteed. There is always a possibility of a sudden withdrawal of the capital. This has happened in 1997 in Asia. It triggered a grave economic crisis in the Asian countries. The foreign investors are not committed to the development of the country. Profit is their first priority. If they feel that they have a better opportunity elsewhere or they feel that the system where they have invested, will crash, they are tempted to withdraw and as a consequence the system actually crashes. The capital has strings attached with it. The conditions that are laid down may badly affect the social and political system of the borrowing country. It may invite trouble for the government and the society as a whole.

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

Check Your Progress

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

3.4 PUBLIC ADMINISTRATION SINCE WORLD WAR II

Since World War II the development was considered a state activity. Due to this the role and function of government had witnessed an unprecedented increase in both developed and developing countries. The reverse trend is observed after 1980s in the developed world. The globalization of neo liberal economic formula as a model of development drive the economies towards a market-driven, private sector led 'development' which emphasized on the rolling back of the state. This shrinking of state affected the size and spending of the public sector. The New Right of Britain and America and the 'structural adjustment' policy of the World Bank directed the process of economical integration of world economy which sparked the wave of economic reforms that swept through the public sector after 1990s.

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

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

Check Your Progress

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

3.5 NEW PUBLIC MANAGEMENT

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

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

The critics of this approach point out that:

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

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

Public Choice Theory

- Principal exponents of Public Choice Theory are Buchanan and Tullock, Vincent Ostrom, Niskanen.
- Underlying assumptions of PCT are
 1. Individuals act rationally with adequate information and ordered preference.
 2. Individuals are utility maximizers.

Neo-Taylorism

- It believes that major reasons for the dysfunctionality of the public sector are the high cost of subsidizing the public services and lack of accountability of individual administrators.
- Public organizations are geared to routine and maintenance administration rather than adapt to the dynamics of rapid social change.

3.5.1 Features of New Public Management:

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

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

EXPERIENCE OF NPM

UK

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

New Zealand

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

Canada

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

India

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

3.5.2 Evaluation of NPM

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

Check Your Progress

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

A.....

B.....

C.....

2. New Public Management is theoretically rooted in Public Choice Theory and Neo - Taylorism

True/False

3 Assumptions of Public Choice Theory are:

A.....

B.....

3.6 GOOD GOVERNANCE

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

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

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

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

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

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

It is imperative to understand that present need to reconceptualise the governance is felt out of the compulsion of regulating developmental assistance given by the international

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

World Bank experts identified some of the problems as;

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

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

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

- Participatory Development
- Human Rights
- Democratization
- Legitimacy of Government
- Respect of human rights
- Rule of law

3.6.1 Features of Good Governance

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

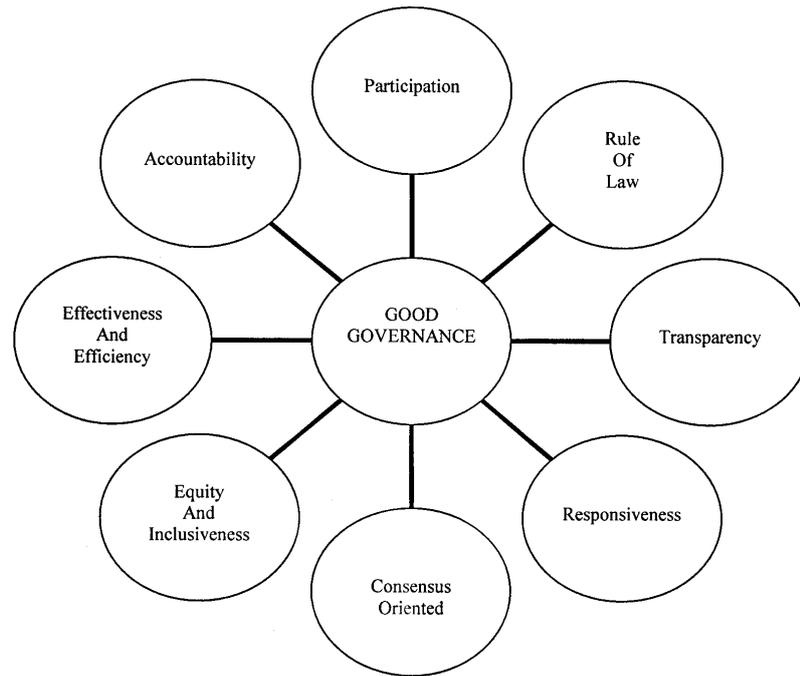


DIAGRAM: Features of Good Governance

Participation

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

Rule of law

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

Transparency

Transparency suggest three things; firstly, decisions must be taken and enforced in proper legal manner, secondly, the information must be freely available and directly accessible to the affected, and thirdly, complete information in easily understandable forms and media.

Responsiveness

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

Consensus oriented

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

Equity and inclusiveness

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

Effectiveness and efficiency

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

Accountability

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

3.6.2 Evaluation of Good Governance

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

- It draws very ideal picture of harmonious functioning of various stakeholders like State, Private Sector and civil society organizations like NGOs. In reality their relationship is complicated and guided by their struggle for supremacy in their respective spheres which hampers the process of governance and divert the resources in wrong directions.
- Good governance advocates increasing participation of private bodies in the issues of governance. However practice shows that accountability for an activity which has been contracted out, and maintenance of ethical standards in private sector is problematic to maintain.
- It seems that the concept tried to re invent the old politics administration dichotomy of the Wilsonian age which is nothing but a neo-liberal agenda to legitimize the profit making agenda of capitalist economies from the first world.
- Good governance attempt to impose western notion of democracy and governance over the Third World. It neglects indigenous structures of governance alternative paradigms of developments.

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

Check Your Progress

Fill in the Blanks

Features of Good Governance are:

Participation B.....

C Transparency D.....

E Consensus oriented F.....

G Effectiveness and Efficiency H.....

3.7 PUBLIC CHOICE APPROACH

Public choice approach or the public choice theory is a novel approach to study bureaucracy developed by American economists in the second half of the twentieth century - in mid 1960s. . The founding fathers of public choice theory include Kenetth Arrow Duncan Black, James Buchanan, Gordon Tullock, Anthony Downs, William Niskanen, Mancur Olson, and William Riker. Public choice has revolutionized the study of democratic decision-making processes.

Public choice approach is best defined as application of the rational choice model to non-market decision making – application of laws of economics to political science. It supports the neo-liberal policies. It is against the welfare state.

This theory challenges the Weber’s approach towards the bureaucracy. This approach assumes that decision making in government is based on unselfish motives. Bureaucrats are unselfish.

Public choice theory criticizes this approach. They say that the bureaucrats are inefficient and unresponsive – and this is because bureaucracy is not subject to market forces.

Choice implies competition. Public choice theory wants competition into public administration in order to make it efficient and responsive.

There is no correlation between public revenue and expenditure. The civil servant has little incentive to minimize the costs and maximize profits. Bureaucrat is a budget

maximiser. The monopoly of bureaucracy must be reduced by exploring private sources of supply of public services.

Increasing dissatisfaction with the performance of the bureaucracy stands in sharp contrast to the success of the private sector. It believes in market values. It is against monopolies. Public choice theory wants to abolish the monopoly of the government in the supply of public services.

3.8 LET'S SUM UP

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

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

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

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

3.9 SUGGESTED READING

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

3.10 UNIT END QUESTIONS

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



MODULE III

**PRINCIPLES AND THEORIES OF
ORGANISATION**

Unit Structure:

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Principles of Organisation
 - 4.2.1 Hierarchy
 - 4.2.2 Delegation
 - 4.2.3 Factors which govern Centralization or Decentralization
- 4.3 Evolution leadership theories
 - 4.3.1 Fiedler's Contingency Theory
 - 4.3.2 Trait leadership
 - 4.3.3 Behavioural theory
- 4.4 Let us sum up:
- 4.5 Questions

4.0 OBJECTIVES

After studying this unit you will be able to:-

- ★ Understand the meaning and importance of delegation.
- ★ Discuss the different types of delegation.
- ★ Explain the various principles of delegation.
- ★ Discuss the limitations and hindrances to delegation.

4.1 INTRODUCTION

In the present era of large scale organisations. The volume of work of organization is increasing day by day. As a result of this in such large organizations head of the organisations cannot keep all the powers with himself. He is required to delegate his

authority to his subordinates. All organizations are organized on the basis of principle of hierarchy which binds different levels and units of the organization with a continuous chain of authority. The need for delegation of authority is greatly felt with the expansion of work in an organization. In this unit we shall discuss importance, characteristics, types and limitations to delegation in administrative organisations.

4.2 PRINCIPLES OF ORGANISATION (MEANING OF ORGANISATION)

Administration involves co-operative efforts by a number of people to attain common purpose. Such plan of action is called organization. Mooney defined organisation as “organisation is the form of every human association for the attainment of a common purpose. L. D. White defines that” organisation is the arrangement of personnel for facilitating accomplishment of some agreed purpose through allocation of functions & responsibilities. We are discussing Hierarchy, Delegation & Decentralisation as principles of organisation.

4.2 1 Hierarchy

The term ‘Hierarchy’ is derived from the Greek term for a ruling body of priests organized into ranks. It is also known as ‘scalar’ principle derived from ‘scale’ which means ‘ladder’ with several steps. Literally, the term ‘hierarchy means control of the higher over the lower. IN administration it means an organization structured in a paramedical fashion with successive steps interlinked with each other, from top to bottom.

Mooney has explained the scalar chain in the following way. “The Scalar principle is the same form in an organization that is sometimes called hierarchical. A scale means a series of steps, something graded. In an organisation it means the grading of the duties, not according to different functions, but according to the degrees of authority and corresponding responsibility. For our convenience we shall call this phenomena of organisation the scalar chain.”

While highlighting the universality of the scalar chain in the organisation, Mooney asserted that ‘wherever we find an organisation even two of people, related as superior and sub-ordinate. We have the scalar principle. This chain constitutes the universal process of co-ordination, through which the supreme co-ordinating authority becomes effective throughout the entire structure.’ According to him, the scalar process has its own principle, process and effect.

The scalar system denotes that every employee is bound in a single chain of command. In the words of Stephen Robbins, “the chain of command is an unbroken line of authority that extends from the top of the organisation to the lowest echelon and clarifies who reports to whom.”

Definition

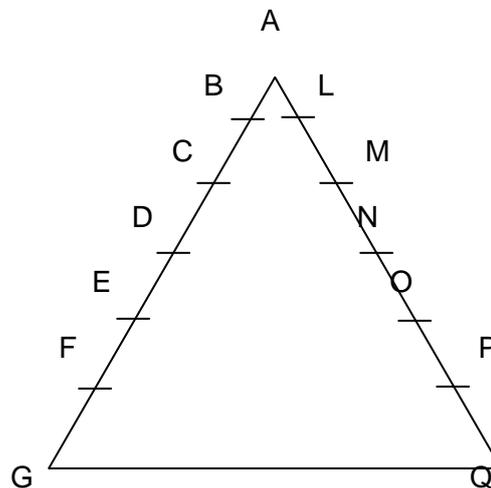
According to L. D. White “Hierarchy consists of the universal application of the superior. Subordinate relationship through a number of levels of responsibility reaching from the top to the bottom of the structure.”

According to Robert Presthus

“Hierarchy is a system of ranking positions along a descending scale from top to the bottom of an organisation.”

Principles of Hierarchy

- i) Principles of ‘through proper channel’, that is, all commands and communications should pass through a proper channel. No intermediate level can be skipped in transacting business.
- ii) Principle of ‘correspondence’, that is authority and responsibility should be co-equal and coterminous at all levels. It is believed that “authority without responsibility is dangerous and responsibility without authority is meaningless.”
- iii) Principle of ‘unity of command,’ that is a subordinate should receive orders from one superior only. The following diagram illustrates the principle of hierarchy in administration.



In the above diagram A is the head of the organisation. The immediate subordinate of A is B and immediate subordinate of B is C. But C is also subordinate to A through B. This is true of all the other levels in the line, that is D, E, F & G. Hence, orders flow from top to bottom, that is from A to B. B to C and so on, and communication flows from bottom to top, that is, from G to F, F to E, and so on. The same is true on other side that is A to Q. The communication between G to Q takes place through A, that is, it ascends to A from G and descends from A to Q in a step by step manner. This is called communication ‘through proper channel.’ The line of authority linking the entire organisation is represented in the above diagram.

Advantages

- i) The hierarchical system promotes division of labour and specialisation. Responsibility and work is divided between the different levels of administration from top to bottom. A great deal of business is disposed of at the lower levels and only important matters of policy and direction are handed at the top level. This prevents congestion in the flow of

business. It relieves the chief executive and other top officers from the burden of attending to minor details.

- ii) The hierarchy serves as a channel of communication upwards and downwards. Every person in the organisation is aware of the steps through which he has to proceed. He knows from whom he has to get work done and to whom he is answerable for his work.
- iii) This system gives effect to the method of 'through proper channel.' It ensures that there will be no short circuiting of the procedure or ignoring of the intermediate links. It also promotes discipline in the service as a subordinate officer who is dissatisfied with his immediate boss cannot approach the next higher authority knowledge of the former.
- iv) It helps to clarify and define the relative position and responsibilities of each and every post in the organisation. Everybody knows that what is the position and what are his powers without any doubt or confusion.
- v) The scalar principle is based on the principle of delegation of authority by a superior to his subordinates. It is possible to establish various centres of decision and control without undermining the unity of command.

Disadvantages

- i) The system of hierarchical organisation suffers from the defect of delays in administrative organisation. The procedure of through proper channel causes red-tapism which means delay in disposal of cases. Every paper has to move step by step and at every step it has to wait for certain time. When the superior is too 'officious' or too lazy, the paper may be lost in the files and may be found when it is too late. For e.g. a retired employee's pension may be sanctioned after his death.
- ii) The hierarchy may cause rigidity in administration. Such rigidity is not conducive to the development of dynamic human relationships amongst its members.
- iii) It creates superior-subordinate relationship due to differences at various levels in the following respects.
 - Distribution of authority and privileges.
 - Nature of responsibilities.
 - Pay scales
 - Qualifications and quality of the staff.

4.2.2. Delegation

Meaning of Delegation

Delegation means grant or conferment of authority by a superior to a subordinate for the accomplishment of a particular assignment.

According to Mooney delegation means conferring of specified authority by a higher to lower authority. It is devolution of authority by a person to his agent or subordinate, subject to his right of supervision and control. It implies that legally delegated authority still belongs to the delegator or the agent.

Characteristics of Delegation

i) Not unlimited

Though the delegation involves the act of subordinate in independent manner the subordinate has to act within the limits prescribed by the higher authority the subordinate is not free to act arbitrarily but subject to the policy, rules and regulations framed by the delegating authority.

ii) Dual Character

Delegation has a dual character. A superior delegates the authority to the subordinate but at the same time retains the authority.

iii) Partial Delegation

Delegation implies partial delegation of authority. The higher authority does not delegate his entire authority to his subordinates for in case, he delegates all his authority, he cannot exercise the power to supervise and control. Therefore delegation is always partial.

iv) Subject to change

Authority once delegated is subject to change. It can be enhanced, reduced or cancelled. It depends on the time and accomplishment of task.

Need for Delegation

The need for delegation can be justified on the following grounds :-

i) Volume of work

Increasing volume of work requires that there should be some sort of delegation. It becomes difficult for the head of an organisation to keep all the workload to himself. If he continues with it then there will be neither efficiency nor economy.

ii) Complexity

Complexities of rules and techniques have further added to the volume of work. The operational procedures of the organizations are becoming more and more complex. The line agencies, being compelled by the complexities delegate the work of deliberation, thinking and formulation of plans to staff specialists, though the ultimate power to approve the plans lies with the line agencies.

iii) Saves time for policy formulation and planning

Executive head always needs more & more time for planning and policy formulation. If he remains busy with minor details, he would not be able to devote much time to planning

and decision making. The superior who delegates effectively, is free to do more supervisory work and overall planning.

iv) Educative value

Delegation has an educative value. As one of the major duties of the manager is to train his subordinates in the art of sharing responsibility and making decision, delegation plays a phenomenal role in this direction. It provides an opportunity to the subordinates to get training in the field of sharing responsibility.

v) Development of Management

The process of delegation provides managerial development training and helps in the creation of a managerial class of subordinates. The executives at different levels can make decisions and action on many vital issues on their own.

vi) Organisational Flexibility

Organisational Flexibility is possible due to delegation. Delegation removes rigidity and helps in acting in accordance with the changes in situation.

vii) Economy and Efficiency

Delegation of authority helps in the division of labour, essential for the discharge of duties efficiently. Delegation minimises delays and makes the organisation to act more efficiently and economically.

Check Your Progress

- 1) What is the meaning of delegation?
- 2) List three characteristics of delegation.
- 3) Give four needs of delegation.

Limits to Delegation

No doubt delegation is a must in all organisations, but no chief or superior officer can be allowed to delegate all his authority. The delegation of complete authority makes the executive superfluous. Though, the extent of delegation vary from case to case depending upon the nature of the case, circumstances and organizational structure, there are some well recognised limits to delegation as follows

- i) The supervision of work of the immediate subordinates.

- ii) General financial supervision and the power to sanction expenditure above a specified amount
- iii) Power to sanction new policies, plans and departures from established policy and precedent.
- iv) Rule making power where it is vested in the delegating officer.
- v) Making specified higher appointments.
- vi) Hearing of appeals from the decisions of at least the immediate subordinates.

Without retaining these powers the chief executive cannot control the organisation effectively. It may reduce him to be an ineffective entity.

Check Your Progress

- 1) Discuss the limits of Delegation.

Let us sum up

Delegation is the most important principle of management. No organization can work without the provision of delegation. In simple words 'Delegation' means conferring specified authority and duties to others for the attainment of desired ends. Delegation however is not the final and authority can be taken by the person who delegates authority.

The need for delegation is evident, for all organisations. It helps in division of work and reduction of complexity in the working of organisational procedures. It helps in saving more time for policy formulation and planning. It makes the administration of an organization efficient by raising the morale of its employees. Complete delegation is neither essential nor practicable nor in the interest of the chief executive and the organization, it is subject to some limits. Powers pertaining to finance, appraisal, Formulation of policy and planning, power of appeal against unjust decisions etc. cannot be delegated.

4.2.3 Factors which govern Centralization or Decentralization__

J. V. Fester has noted the following four kinds of factors which govern the process of centralization or decentralization.

- a) **The Factor of Responsibility:** This factor which generally acts as a deterrent to decentralization, favours centralization. The heads of the organization is always held ultimately responsible for everything in his organization. Naturally, he is not willing for the decentralization. He prefers to keep every important matter in his own hands to ensure smooth operations.

- b) **The Administrative Factors:** There are many administrative factors like the age of the agency, stable policy and competence of the field officers etc. Decentralization is easier in an old agency than in a new one. Procedures and precedents are already crystallized in a fairly old organization whereas in the young agency constant reference to the headquarters is the order of the day. Frequent changes in policy matters do not favour decentralization for which a stable policy is essential. Centralization is inevitable if field personnel are not competent enough to work in responsible manner. Lastly, centralization cannot be avoided when there is pressure for urgency and economy.
- c) **The Functional Factors:** Decentralization becomes necessary when a department is required to perform many functions of technical nature as the departmental head has neither time nor technical competence to look after them. Naturally, he leaves such functions under the charge of a division or branch with autonomous powers. On the contrary, centralization is necessary in such functions like defence and communication which require nation –wide – uniformly.
- d) **External Factor:** The factors which are external to administration also decide the issue of centralization and decentralization For example when a popular or local support for a programme like family planning is necessary, only decentralization can ensure it. Secondly, the “grass-roots administration” is impossible without decentralization. Some political parties

On the other hand U.S.A. offers an example of a disintegrated administrative system. In that country, there are five different kinds of independent establishments as

- 1) the regulatory commissions
- 2) the government corporations
- 3) the professional service agencies
- 4) elected officials at the state-level like Treasurer and Attorney General and
- 5) the Auditors.

The authority of the President of America stops short at the nine great regulatory commissions which are described as “headless” and the fourth branch of the government. The American system of government consists of directly elected officers and un-coordinated departments, commissions, bureaus, boards and other agencies. The lack of unity is visible even at the national administrative level. The constitution which has vested the entire executive authority in the President, has failed to help him evolve a unified administrative structure. On the contrary, it has authorized Congress, the national legislative body to create administrative agencies whenever there is a need for the same. Hence the American system is an example of a largely disintegrated administration.

Merits of Integrated and Disintegrated system

The advocates of integration point out that integration help co-ordination whereas disintegration leads to conflicts. The pressure and interest groups try to capture independent agencies for their selfish ends. If they are integrated under a common constitutional head like American President they can be freed from the influence of dishonest and corrupt persons. The critics of integration, on the other hand, allege that the President may become

a dictator if his already great powers are enhanced by bringing independent organizations under his control. The danger of possible dictatorship would result into loss of individual liberty and democracy one day or the other. Secondly, the functional groups like educationists in the universities and social welfare workers who enjoy independent and autonomous status oppose integration. They fear that their freedom which is essential for their successful functioning will be threatened under integrated system of administration.

Unlike America, India has inherited the integrated system of administration from the past British rule. We have a parliamentary system with a responsible government. As such there is no fear of the executive becoming dictatorial due to increase in its powers. By and large, the theorists of the discipline of Public Administration are in favour of integrated and not disintegrated system. They plead that integration should be the rule and autonomous organization which lead to disintegration should be the exception. Our administration based on this principle only certain institutions like universities and professional bodies are given autonomous powers. Sometimes there are complaints that these bodies which are captured by certain vested interests grossly misuse their autonomy. Then government has tried to reform them by passing new bills in the legislature in order to tighten its control over them. In this way, government can correct the defects inherent in the disintegrated administrative system.

Centralization versus Decentralization

Meaning

Centralization means concentration of authority at or near the top decentralization means dispersal of authority among a number of persons or units of organization. According to White, "The progress of transfer of administrative authority from a lower to a higher level of government is called 'Centralization', the converse 'decentralization'." The essential element in decentralization is the delegation of decision making power. As stated by Charles worth, "The significant question in any large administrative undertaking is whether or not any definitive actions are taken by the centre – head which can be taken at the periphery."

According to Willoughby, "one of the important problems of organization is to reconcile the administrator's natural desire for complete control, uniformity and certainty with the people demand that government administration accommodate itself to local public sentiment." Indian Government is facing the similar dilemma as to centralize or to decentralize. The compulsions of economics planning, need for strong defence and national integration are pulling it towards centralization. On the contrary, growing demand for regional autonomy and establishment of democracy at grass – roots level, pull it in the direction of decentralization. The example of centralization trends is the Planning Commission. Panchayati Raj system is the example of decentralization.

There are five aspects of decentralization. The administrative aspects are:

- a) Large areas of discretionary power are entrusted to subordinate officers and very few questions are referred to the superior at the top.
- b) The head office grants all non-essential powers to the units and retains with it certain essential powers of control.

are quite influential in particular parts of the country. They insist on decentralization so as to retain their hold over the electorate.

Arguments in favour of and against centralization.

The central authority in modern times can communicate with its subordinates and field offices very quickly due to revolutionary changes in the communications system. Centralization which ensures economy and efficiency can avoid defects of inefficiency, waste etc. The personnel of central authorities are of higher calibre, wider outlook and more experienced than those in the field offices. Modern wars are total wars which require central direction and management to ensure uniform efforts. Similarly, rapid economic development also needs centralized efforts for optimum use of natural resources. The states, provinces and local authorities depend on central government for grants-in-aid. Hence centralization take place as it is natural that one who pays the piper should have right to call the tune.

However, centralization is criticized on the grounds that it creates bottle necks resulting from the congestion of business at the higher levels of administration and causes delays in the decision making process. The central authorities which are far away from the remote places do not possess adequate knowledge of local problems which vary from place to place. Centralization weakens democracy as it reduces the opportunities for the people's initiative and participation in administration. A decentralized system can also ensure economy and efficiency with proper care. Lastly it is argued that good government and self government are not incompatible and a decentralized system can provide both.

Merits and Demerits of Decentralization

Decentralization provides relief to the overburdened central authority by dispersal of authority, functions and responsibility. It also strengthens field agencies and grass-root units. Administrative programmes and operations are brought closer to the people. Overall efficiency of administration is increased by reducing delays and shortening red tape. The subordinate officers get an opportunity to shoulder their own responsibility by taking their own decisions. It is possible to conduct different experiments at different units to find out their results without affecting the whole organization as in the case of centralized administration. As stated by Charlesworth, "Decentralization has a more important justification than mere administrative efficiency. It bears directly upon the development of a sense of personal adequacy in the individual citizen, it has spiritual connotations."

There are some demerits of decentralization. Too much decentralization is likely to lead to anarchy. It makes co-ordination & integration difficult to realize. Co-ordination & decentralisation is personnel budgeting accounting etc. is neither possible nor desirable. Needs of modern defence and compulsions of economic planning do not favour decentralization. Centralised housekeeping activities are more economic and efficient than the decentralized one. Lastly, decentralization cannot ensure common and uniform national policies like raising the standard of living, enforcing family planning and welfare schemes which can be better implemented by centralized administration.

Conclusion

It must be noted that every argument in favour of centralization or decentralization can be matched by an equally plausible argument on the other side. Neither centralization nor decentralization can, therefore, be accepted as an absolute principle of good organization. It

is necessary to have a compromise between the two principles or the application of the rival principles must be decided on their own merits depending upon the circumstances. The attitude of compromise demands that while policy making should be centralized, its administration should be decentralized. The field officers should have the power to take decisions on the spot, but the central authority should have power to post audit these decisions to test their conformity to the policy laid down by it.

4.3 EVOLUTION OF LEADERSHIP THEORIES

4.3.1 Fiedler's Contingency Theory

To Fiedler, stress is a key determinant of leader effectiveness (Fiedler and Garcia 1987; Fiedler et al. 1994), and a distinction is made between stress related to the leader's superior, and stress related to subordinates or the situation itself. In stressful situations, leaders dwell on the stressful relations with others and cannot focus their intellectual abilities on the job. Thus, intelligence is more effective and used more often in stress-free situations. Fiedler concludes that experience impairs performance in low-stress conditions but contributes to performance under high-stress conditions. As with other situational factors, for stressful situations Fiedler recommends altering or engineering the leadership situation to capitalize on the leader's strengths.

Fiedler's situational contingency theory holds that group effectiveness depends on an appropriate match between a leader's style (essentially a trait measure) and the demands of the situation. Fiedler considers situational control the extent to which a leader can determine what their group is going to do to be the primary contingency factor in determining the effectiveness of leader behaviour.

Fiedler's contingency model is a dynamic model where the personal characteristics and motivation of the leader are said to interact with the current situation that the group faces. Thus, the contingency model marks a shift away from the tendency to attribute leadership effectiveness to personality alone.

Least preferred co-worker (LPC)

The leadership style of the leader, thus, fixed and measured by what he calls the least preferred co-worker (LPC) scale, an instrument for measuring an individual's leadership orientation. The LPC scale asks a leader to think of all the people with whom they have ever worked and then describe the person, with whom they have worked least well, using a series of bipolar scales of 1 to 8, such as the following

Unfriendly	1 2 3 4 5 6 7 8	Friendly
Uncooperative	1 2 3 4 5 6 7 8	Cooperative
Hostile	1 2 3 4 5 6 7 8	Supportive
....	1 2 3 4 5 6 7 8	
Guarded	1 2 3 4 5 6 7 8	Open

The responses to these scales (usually 18-25 in total) are summed and averaged: a high LPC score suggests that the leader has a "human relations orientation", while a low LPC score indicates a "task orientation". Fiedler assumes that everybody's least preferred co-worker in fact is on average about equally unpleasant. But people who are indeed relationship motivated, tend to describe their least preferred co-workers in a more positive manner, e.g., more pleasant and more efficient. Therefore, they receive higher LPC scores. People who are task motivated, on the other hand, tend to rate their least preferred co-workers in a more negative manner. Therefore, they receive lower LPC scores. So, the Least Preferred Co-worker (LPC) scale is actually not about the least preferred worker at all, instead, it is about the person who takes the test; it is about that person's motivation type. This is so, because, individuals who rate their least preferred co-worker in relatively favourable light on these scales derive satisfaction out of interpersonal relationship, and those who rate the co-worker in a relatively unfavourable light get satisfaction out of successful task performance. This method reveals an individual's emotional reaction to people they cannot work with. Critics point out that this is not always an accurate measurement of leadership effectiveness.

Situational favourableness

According to Fiedler, the ability to control the group situation (the second component of the contingency model) is crucial for a leader. This is because only leaders with situational control can be confident that their orders and suggestions will be carried out by their followers. Leaders who are unable to assume control over the group situation cannot be sure that the members they are leading will execute their commands. Because situational control is critical to leadership efficacy, Fiedler broke this factor down into three major components: leader-member relations, task structure, and position power (Forsyth, 2006). Moreover, there is no ideal leader. Both low-LPC (task-oriented) and high-LPC (relationship-oriented) leaders can be effective if their leadership orientation fits the situation. The contingency theory allows for predicting the characteristics of the appropriate situations for effectiveness. Three situational components determine the favourableness of situational control

1. Leader-Member Relations, referring to the degree of mutual trust, respect and confidence between the leader and the subordinates. When leader-member relations in the group are poor, the leader has to shift focus away from the group task in order to regulate behaviour and conflict within the group (Forsyth, 2006).
2. Task Structure, referring to the extent to which group tasks are clear and structured. When task structure is low (unstructured), group tasks are ambiguous, with no clear solution or correct approach to complete the goal. In contrast, when task structure is high (structured), the group goal is clear, unambiguous and straightforward: members have a clear idea about the how to approach and reach the goal.
3. Leader Position Power, referring to the power inherent in the leaders positions itself.

When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a "favourable situation." Fiedler found that low-LPC leaders are more effective in extremely favourable or unfavourable situations, whereas high-LPC leaders perform best in situations with intermediate favourability. Leaders in high positions of power have the ability to distribute resources among their members, meaning they can reward and punish their followers. Leaders in low position power cannot control

resources to the same extent as leaders in high power, and so lack the same degree of situational control. For example, the CEO of a business has high position power, because she is able to increase and reduce the salary that her employees receive. On the other hand, an office worker in this same business has low position power, because although they may be the leader on a new business deal, they cannot control the situation by rewarding or disciplining their colleagues with salary changes.

Leader-situation match and mismatch

Since personality is relatively stable though it can be changed, the contingency model suggests that improving effectiveness requires changing the situation to fit the leader. This is called "job engineering" or "job restructuring". The organization or the leader may increase or decrease task structure and position power, also training and group development may improve leader-member relations. In his 1976 book *Improving Leadership Effectiveness: The Leader Match Concept*, Fiedler (with Martin Chemers and Linda Mahar) offers a self paced leadership training programme designed to help leaders alter the favourableness of the situation, or situational control.

Examples

- Task-oriented leadership would be advisable in natural disaster, like a flood or fire. In an uncertain situation the leader-member relations are usually poor, the task is unstructured, and the position power is weak. The one who emerges as a leader to direct the group's activity usually does not know subordinates personally. The task-oriented leader who gets things accomplished proves to be the most successful. If the leader is considerate (relationship-oriented), they may waste so much time in the disaster, that things get out of control and lives are lost.
- Blue-collar workers generally want to know exactly what they are supposed to do. Therefore, their work environment is usually highly structured. The leader's position power is strong if management backs their decision. Finally, even though the leader may not be relationship-oriented, leader-member relations may be extremely strong if they can gain promotions and salary increases for subordinates. Under these situations the task-oriented style of leadership is preferred over the (considerate) relationship-oriented style.
- The considerate (relationship-oriented) style of leadership can be appropriate in an environment where the situation is moderately favourable or certain. For example, when (1) leader-member relations are good, (2) the task is unstructured, and (3) position power is weak. Situations like this exist with research scientists, who do not like superiors to structure the task for them. They prefer to follow their own creative leads in order to solve problems. In a situation like this a considerate style of leadership is preferred over the task-oriented.

Opposing views

Researchers often find that Fiedler's contingency theory falls short on flexibility. They also noticed that LPC scores can fail to reflect the personality traits they are supposed to reflect.

Fiedler's contingency theory has drawn criticism because it implies that the only alternative for an unalterable mismatch of leader orientation and an unfavourable situation is changing the leader. The model's validity has also been disputed, despite many supportive tests (Bass 1990). The contingency model does not take into account the percentage of "intermediate favourability" situations vs. "extremely favourable or unfavourable situations", hence, does not give a complete picture of the comparison between low-LPC leaders and high-LPC leaders.

Other criticisms concern the methodology of measuring leadership style through the LPC inventory and the nature of the supporting evidence. Fiedler and his associates have provided decades of research to support and refine the contingency theory.

Cognitive Resource Theory (CRT) modifies Fiedler's basic contingency model by adding traits of the leader (Fiedler and Garcia 1987). CRT tries to identify the conditions under which leaders and group members will use their intellectual resources, skills and knowledge effectively. While it has been generally assumed that more intelligent and more experienced leaders will perform better than those with less intelligence and experience, this assumption is not supported by Fiedler's research.

4.3.2 Trait Leadership

Trait leadership is defined as integrated patterns of personal characteristics that reflect a range of individual differences and foster consistent leader effectiveness across a variety of group and organizational situations. The theory of trait leadership developed from early leadership research which focused primarily on finding a group of heritable attributes that differentiated leaders from non leaders. Leader effectiveness refers to the amount of influence a leader has on individual or group performance, followers' satisfaction, and overall effectiveness. Many scholars have argued that leadership is unique to only a select number of individuals and that these individuals possess certain immutable traits that cannot be developed. Although this perspective has been criticized immensely over the past century, scholars still continue to study the effects of personality traits on leader effectiveness. Research has demonstrated that successful leaders differ from other people and possess certain core personality traits that significantly contribute to their success. Understanding the importance of these core personality traits that predict leader effectiveness can help organizations with their leader selection, training, and development practices.

History of research on trait leadership

The emergence of trait leadership dates back to Thomas Carlyle's "great man" theory, which stated that "the history of the world was the biography of great men". In other words - history is shaped by the forces of extraordinary leadership. Influenced by Carlyle, Galton advanced this idea and found that leadership was a unique property of extraordinary individuals, and the traits leaders possessed were immutable and could not be developed. Throughout the early 1900s, the study of leadership focused on traits. Cowley (1931) commented that the approach to the research of leadership has usually been and should always be through the study of traits (Cowley, 1931). Many theorists were influenced by Carlyle and Galton and believed that trait leadership depended on the personal qualities of the leader; however, they did not assume that leadership only resides within a select number of people. This trait perspective of leadership was virtually accepted until the late 1940s and

early 1950s, when personality traits were deemed to be insufficient in predicting leader effectiveness.

In 1948, Stogdill stated that leadership exists between persons in a social situation, and that persons who are leaders in one situation may not necessarily be leaders in other situations. This statement has been cited ubiquitously as sounding the death knell for trait leadership theory. Furthermore, scholars commented that any trait's effect on leadership behaviour will always depend on the situation. Subsequently, leadership stopped being characterized by individual differences, and behavioural and situational analyses of leadership took over and began to dominate the field of leadership research. During this period of widespread rejection, several dominant theories took the place of trait leadership theory, including Fiedler's (1967) contingency model, Blake and Mouton's (1964) managerial grid, Hersey and Blanchard's (1969) situational leadership model, and transformational and transactional leadership models.

Despite the growing criticisms of trait leadership, the purported basis for the rejection of trait leadership models began to be strongly challenged in the 1980s. Interestingly, Zaccaro (2007) pointed out that even Stogdill's (1948) review, although cited as evidence against leader traits, contained conclusions supporting that individual differences could still be predictors of leader effectiveness. With an increasing number of empirical studies directly supporting trait leadership, traits have re-emerged in the lexicon of scientific leadership research. In recent years, the research about leader traits has made some progress in identifying a list of personality traits that are highly predictive of leader effectiveness. Additionally, to account for the arguments for situational leadership, researchers have used the round-robin design methodology to test whether certain individuals emerge as leaders across multiple situations. Scholars have also proposed new ways of studying the relationship of certain traits to leader effectiveness. For instance, many are suggesting the integration of trait and behavioural theories to understand how traits are related to leader effectiveness. Furthermore, scholars have expanded their focus and have proposed looking at more malleable traits (ones that can be developed) in addition to the traditional dispositional traits as predictors of leader effectiveness. Context is only now beginning to be examined as a contributor to leader's success and failure. Productive narcissistic CEOs like Steven Jobs of Apple and Jack Welch of GE have demonstrated a gift for creating innovation. Whereas, leaders with idealized traits are more successful in more stable environments requiring less innovation and creativity.

Leader traits

The investigations of leader traits are always by no means exhaustive (Zaccaro, 2007). In recent years, several studies have made comprehensive reviews about leader traits which have been historically studied. There are many ways that traits related to leadership can be categorized; however, the two most recent categorizations have organized traits into

- (1) Demographic vs. task competence vs. interpersonal and
- (2) Distal (trait-like) vs. proximal (state-like). Both these categorizations are described below.

Demographic vs. task competence vs. interpersonal

Based on a recent review of the trait leadership literature, DeRue and others (2011) stated that most leader traits can be organized into three categories: demographic, task

competence, and interpersonal attributes. For the demographics category, gender has by far received the most attention in terms of leadership; however, most scholars have found that male and female leaders are both equally effective. Task competence relates to how individuals approach the execution and performance of tasks (Bass & Bass, 2008). Hoffman grouped intelligence, Conscientiousness, Openness to Experience, and Emotional Stability into this category. Lastly, interpersonal attributes are related to how a leader approaches social interactions. According to Hoffman and others (2011), Extraversion and Agreeableness should be grouped into this category.

Distal (trait-like) vs. proximal (state-like)

Recent research has shifted from focusing solely on distal (dispositional/trait-like) characteristics of leaders to more proximal (malleable/state-like) individual differences often in the form of knowledge and skills (Hoffman et al., 2011). The emergence of proximal traits in trait leadership theory will help researchers answer the ancient question: Are leaders born or made? Proximal individual differences suggest that the characteristics that distinguish effective leaders from non-effective leaders are not necessarily stable through the life-span, implying that these traits may be able to be developed. Hoffman and others (2011) examined the effects of distal vs. proximal traits on leader effectiveness. He found that distal individual differences of achievement motivation, energy, dominance, honesty/integrity, self-confidence, creativity, and charisma were strongly correlated with leader effectiveness. Additionally, he found that the proximal individual differences of interpersonal skills, oral communication, written communication, management skills, problem solving skills, and decision making were also strongly correlated with leader effectiveness. His results suggested that on average, distal and proximal individual differences have a similar relationship with effective leadership (Hoffman et al., 2011).

Criticisms of trait leadership

Although there has been an increased focus by researchers on trait leadership, this theory remains one of the most criticized theories of leadership. Over the years, many reviewers of trait leadership theory have commented that this approach to leadership is “too simplistic” and “futile” Additionally, scholars have noted that trait leadership theory usually only focuses on how leader effectiveness is perceived by followers (Lord et al., 1986) rather than a leader’s actual effectiveness (Judge et al., 2009). Because the process through which personality predicts the actual effectiveness of leaders has been relatively unexplored (Ng, Ang, & Chan, 2008), these scholars have concluded that personality currently has low explanatory and predictive power over job performance and cannot help organizations select leaders who will be effective (Morgeson & Ilies, 2007). Furthermore, Derue and colleagues (2011) found that leader behaviours are more predictive of leader effectiveness than are traits.

Another criticism of trait leadership is its silence on the influence of the situational context surrounding leaders (Ng et al., 2008). Stogdill (1948) found that persons who are leaders in one situation may not be leaders in another situation. Complimenting this situational theory of leadership, Murphy (1941) wrote that leadership does not reside in the person, and it usually requires examining the whole situation. In addition to situational leadership theory, there has been growing support for other leadership theories such as transformational, transactional, charismatic, and authentic leadership theories. These

theories have gained popularity because they are more normative than the trait and behavioural leadership theories (Schaubroeck, Lam, & Cha, 2007).

Further criticisms include the failure of studies to uncover a trait or group of traits that are consistently associated with leadership emergence or help differentiate leaders from followers (Kenny & Zaccaro, 1983). Additionally, trait leadership's focus on a small set of personality traits and neglect of more malleable traits such as social skills and problem solving skills has received considerable criticism. Lastly, trait leadership often fails to consider the integration of multiple traits when studying the effects of traits on leader effectiveness (Zaccaro, 2007).

Implications for practice

Given the recent increase in evidence and support of trait leadership theory (Ng et al., 2008), scholars have suggested a variety of strategies for human resource departments within organizations. Companies should use personality traits as selection tools for identifying emerging leaders (Ng et al., 2008). These companies, however, should be aware of the individual traits that predict success in leader effectiveness as well as the traits that could be detrimental to leader effectiveness. For example, while Derue and colleagues (2011) found that individuals who are high in Conscientiousness, Extraversion, and Agreeableness are predicted to be more likely to be perceived as successful in leadership positions, Judge, Woolf, Hurst, & Livingston (2006) wrote that individuals who are high in narcissism are more likely to be a liability in certain jobs. Narcissism is just one example of a personality trait that should be explored further by HR practitioners to ensure they are not placing individuals with certain traits in the wrong positions.

Complimenting the suggestion that personality traits should be used as selection tools, Judge and colleagues (2002) found that the Big Five Personality traits were more strongly related to leadership than intelligence. This finding suggests that selecting leaders based on their personality is more important than selecting them based on intelligence. If organizations select leaders based on intelligence, it is recommended by Judge and colleagues (2002) that these individuals be placed in leadership positions when the stress level is low and the individual has the ability to be directive.

Another way in which HR practitioners can use the research on trait leadership is for leadership development programs. Although inherent personality traits (distal/trait-like) are relatively immune to leadership development, Zaccaro (2007) suggested that proximal traits (state-like) will be more malleable and susceptible to leadership development programs. Companies should use different types of development interventions to stretch the existing capabilities of their leaders.

4.3.3 Behavioural theory

Behavioural theory promotes the value of leadership styles with an emphasis on concern for people and collaboration. It promotes participative decision making and team development by supporting individual needs and aligning individual and group objectives. Behavioural Theories of Leadership, also known as "The style approach to leadership" focuses on the behaviour of the leader and what leaders do and how they act. Learn about the two general kinds of behaviours; task behaviours and relationship

behaviours and advantages of this approach to leadership. Learn more about this theory of leadership.

What are Behaviours?

Behaviour is the range of actions and mannerisms made by organisms, systems, or artificial entities in conjunction with their environment, which includes the other systems or organisms around as well as the physical environment.

What is Human Behaviours?

Human behaviour refers to the range of behaviours exhibited by humans and which are influenced by culture, attitudes, emotions, values, ethics, authority, rapport, hypnosis, persuasion, coercion and/or genetics. In humans, behaviour is believed to be controlled primarily by the endocrine system and the nervous system. Behaviours can be either innate or learned.

Human behaviour is experienced throughout an individual's entire lifetime. It includes the way they act based on different factors such as genetics, social norms, core faith, and attitude. Behaviour is impacted by certain traits each individual has. The traits vary from person to person and can produce different actions or behaviour from each person. As the questions about how to measure traits continued to challenge trait theory, researchers began thinking about measuring behaviour. While you can't easily measure confidence or honesty in a person, they noted, you can define a behaviour or a set of behaviours that seem to embody the trait. Researchers define behaviours as observable actions, which makes measuring them more scientifically valid than trying to measure a human personality trait.

What is Behavioural Theory of Leadership?

Behavioural Theory of Leadership is a leadership theory that considers the observable actions and reactions of leaders and followers in a given situation. Behavioural theories focus on how leaders behave and assume that leaders can be made, rather than born and successful leadership is based on definable, learnable behaviour. Behavioural theories of leadership are classified as such because they focus on the study of specific behaviours of a leader. For behavioural theorists, a leader's behaviour is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success.

These theories concentrate on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed and categorized as 'styles of leadership'. This area has probably attracted most attention from practicing managers.

Overview of Behavioural Theory of Leadership

Behavioural Theory of leadership is a big leap from Trait Theory, in that it assumes that leadership capability can be learned, rather than being inherent. This theory is based on the principle that behaviours can be conditioned in a manner that one can have a specific response to specific stimuli. Rather than seeking inborn traits this theory looks at what leaders actually do by studying their behaviours in response to different situations, assessing leadership success by studying their actions and then correlating significant behaviours with

success. The practical application of the theory is that leader's behaviour affects their performance and different leadership behaviours could be appropriate at different times. The best leaders are those who have the adaptability to flex their behavioural style, and choose the right style suitable for each situation.

According to this theory, people can learn to become leaders through teaching and observation and certain behavioural patterns may be identified as leadership styles.

Advantages of Behavioural Theory of Leadership

Behavioural theory promotes the value of leadership styles with an emphasis on concern for people and collaboration. It promotes participative decision making and team development by supporting individual needs and aligning individual and group objectives. It helps managers evaluate and understand how their behavioural style as a manager affects their relationship with the team and promotes commitment and contribution towards organizational goals. This theory helps managers find the right balance between different styles of leadership, and helps them decide how to behave as a leader, depending on concerns for people and for productivity.

Criticism / Arguments against – Behavioural Theory of Leadership

As there were inherent limitations with the Trait approach to leadership, when early researchers ran out of steam in their search for traits, they turned to what leaders did, how they behaved and came with behavioural theory of leadership. This became the dominant way of approaching leadership within organizations in the 1950s and early 1960s but this theory too had its own limitations. Behavioural Theory of Leadership proposes leadership styles but a specific leadership style may not be best in all circumstances. When researchers really got to work on this it didn't seem to validate their assumptions. While behavioural theories may help managers develop particular leadership behaviours but they provide little guidance as to what constitutes effective leadership in different situations.

There were lots of differences and inconsistencies between studies. It was difficult to say which style of leadership was significant in enabling one group to work better than another. The styles that leaders can adopt are far more affected by those they are working with, and the environment they are operating within, than had been originally thought. Most researchers today conclude that no one leadership style is right for every manager under all circumstances.

Two Important Behavioural Studies:

Although many research studies could be categorized under the heading of the behavioural approach, the Ohio State studies, the Michigan studies, and the studies by Blake and Mouton are strongly representative of the ideas in this approach. By looking closely at each of these groups of studies, we can draw a clearer picture of the key concepts and implications of the style/behavioural approach to leadership. Of these the two Key Studies in behavioural theory at the University of Michigan and the Ohio State University became famous in the next generation of leadership research. These studies identified two key behavioural categories – orientation toward task and orientation toward people.

4.4 LET US SUM UP

After the discussion of the principal of organization and the behavioural theories, it is easy to understand that hoe the organization functions and the various aspect of organizational behaviour.

4.5 QUESTIONS

1. Discuss the merits and demerits of decentralization.
2. Examine the McClelland's theory in brief.
3. Elaborate Fiedler's contingency model.
4. Discuss the importance of behavioural theory in the study of organization.



EVOLUTION OF MOTIVATION THEORIES

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

Unit Structure

5.0 Objectives

5.1 Introduction

5.2 Early theories – Maslow, McGregor, Herzberg;

5.3 Contemporary Theories – McClelland, Cognitive Evaluation Victor Vroom's Expectancy theory

5.4 Conclusion

5.5 Suggested Readings

5.6 Unit End Questions

5.0 OBJECTIVES

In this chapter we will study

- Early Motivational theories stated by
 - Maslow
 - McGregor
 - Herzberg
- Contemporary motivational theories stated by
 - McClelland,
 - Cognitive Evaluation
 - Victor Vroom's Expectancy theory

5.1 INTRODUCTION

Motivating employees for work is a major problem faced by administrators and managers. Normally all human beings are averse to work. They have to be motivated. There are many factors affecting the behavior of the employees. Psychologists all over the world have tried to build motivational theories. In this chapter we will summarize some of the major motivational theories.

Motivation is the force that drives a person into action. A manager motivates a person, means he inspires him to do a particular task that will lead to the accomplishment of organizational goal.

A person initially joins an organization for the monetary benefits. Once his financial needs are reasonably satisfied he looks forward to the satisfaction of his behavioral needs. A person who works at a position where enough financial rewards are offered but the level of job satisfaction is low will perhaps look for another job

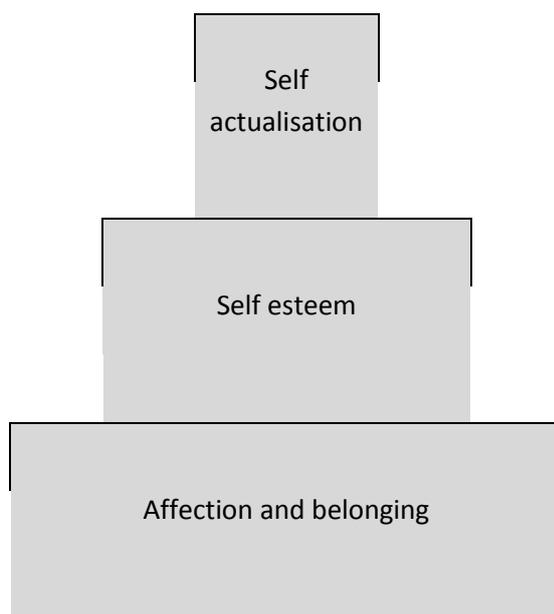
Motivation is often a very complex task because the factors that motivate an individual to work are themselves very complex and complicated. Financial incentives may be important for one worker while non-financial incentives may be important for the other. The manager must, therefore, be well equipped in the skills of determining as to what motivates the human behavior

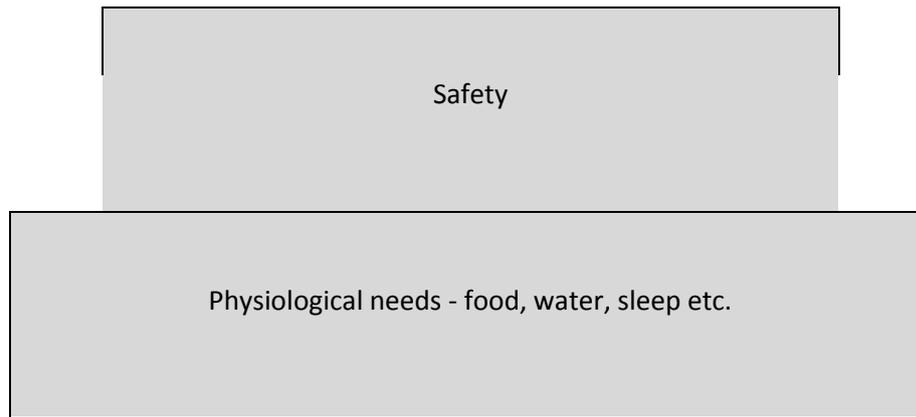
5.2 EARLY THEORIES – MASLOW, MCGREGOR, HERZBERG

Maslow's theory

Abraham Harold Maslow (1908-1970) – an American Psychologist.

Abraham Harold Maslow's theory is the most well known theory of motivation. It is also known as the hierarchy of needs theory. We are familiar with the economic theory of limited means and unlimited wants. Every human being has unlimited wants. The list of things which a man or woman need during their lifetime is ever expanding and unending.





But Maslow argues that there is a hierarchy of needs. All men don't have the urge to fulfill all types of needs at once. He classifies the different needs in five categories and arranges them in a hierarchy as shown in the figure above. As soon as one set of needs is fulfilled the desire to fulfill higher set of needs comes forth. The basic set of needs is

1. the physiological needs – food, water, sleep, sex other bodily needs.
2. Safety – securing the body, health, property, family
3. Affection and belongingness – Social needs – friendship, acceptance
4. Esteem – Self respect, autonomy, status, recognition and attention.
5. Self actualization – This is the final stage of development of human being. There is harmony and a sense of fulfillment.

Administrators must be able to judge the stage of development of an employee or a group of employees and apply proper motivational techniques.

McGregor

A Brief Life Sketch of McGregor

McGregor was born in U.S.A. He earned his B.E. in Mechanical He completed his M.A. & Ph.D. in Psychology from Harvard university in 1933 & 1935 respectively. He worked as a Management Professor at MIT, Sloan School of Management. He was president of Antioch College, from 1948 to 1954. He also taught at Indian Institute of Management, at Calcutta.

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

Mcgregor's 'X' Theory

The most creative & lasting contribution of McGregor has been on management, development of managerial talent & managerial teamwork in an organisation. His basic question of enquiry was, whether managers are made or are born? 'Based upon his hypothesis that' every managerial act rests upon theory'; McGregor argues that management is an art; it cannot be a science because it serves a different purpose.

However, management can utilise scientific knowledge in the achievement of practical objectives of the organisation, was his belief.

As an organisational Psychiatrist, McGregor understood that the management's hold on controlling its human resource, determine the whole character of the enterprise. He also argued that the most important problems of management lie outside the realm of improving the selection of managers with technical potential. The top executive, with higher potential & capacity cannot attain organisational objectives because of lack of utilisation of employees' talent. McGregor rejected the misconception that human behaviour in an organisation needs to be controlled. A top executive should not expect to achieve desired goals through inappropriate managerial action. So, he very aptly advances a hypothesis that all control is selective adaption. His deep observation led him to conclude that control in human affairs can be viewed as an integration of human behaviour either through coercive compulsion or through motivational self control. He developed these two assumptions & scientifically tested their validity to propound his theories of managerial control, popularly known as 'X' theory & 'Y' theory. His 'X' theory is a traditional view of direction & control. In his book 'The Human side of the Enterprise', published in 1960, he has examined theories on behaviour of individuals at work.

The 'X' Theory

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

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

McGregor's 'Y' Theory

McGregor was largely influenced by Maslow's theory of hierarchy of human needs. McGregor viewed human needs with emotional commitment. McGregor's Y theory suggests

alternate assumptions for the integration of the individual & organisational goals. He wanted selective adoption in managerial strategy. McGregor arranged a new set of assumptions which will invite morals & motivation. The following assumptions are embodied in the 'Y' Theory:

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

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

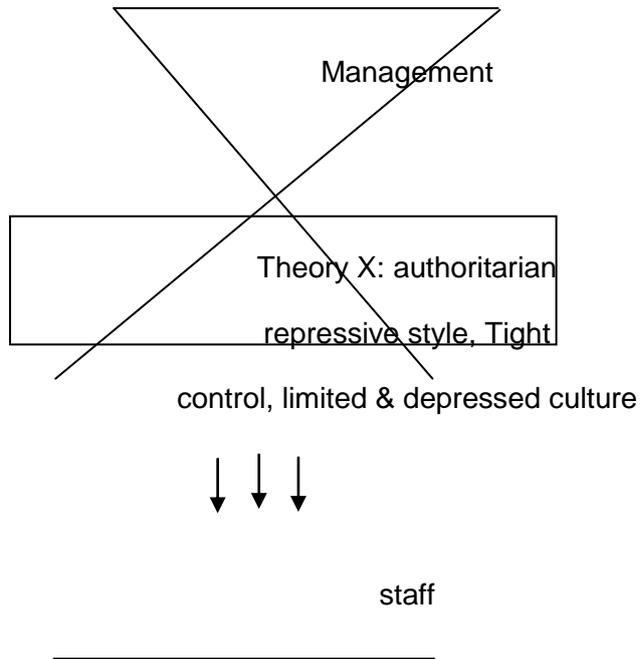
How the integrity amongst the employees can be achieved? The employees should have self control. Integration & self control can be possible if the individual needs & organisational needs are properly recognised. McGregor's theory aims to encourage & create motivation amongst employees. This is a way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

The Scanlon plan:

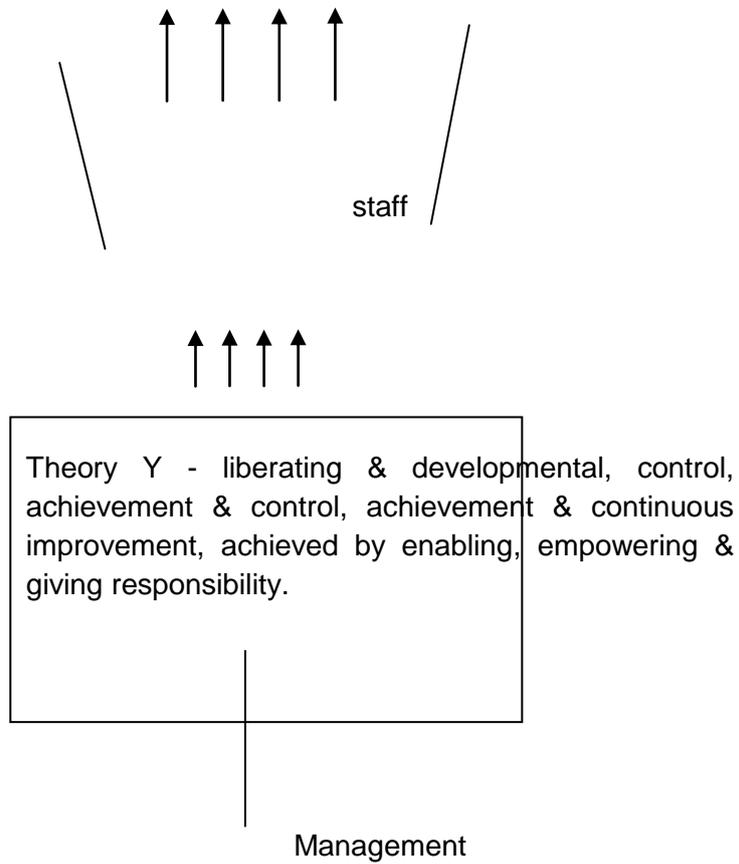
Based upon the 'Y' Theory, McGregor further collaborated with Fredrick Hesiau, who was carrying research on union Management Cooperation, popularly, known as Scanlon plan. The Scanlon plan is consistent with 'Y' theory of McGregor. The Scanlon plan is based upon two central features - 1) lost reduction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

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

Theory 'X'



Theory 'Y'



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

The Relevance of 'Y' Theory

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

One important relevance of Y Theory of McGregor, to modern industry is related to the Line & Staff Agencies in the organisation. Modern industries are mostly operated by skilled staff. Their knowledge & experience influence decision making process in the organisation. The 'Line' employees increasingly depend upon specialised staff. However, the 'Y' theory of McGregor can coordinate Line - staff relationship. The conflict between Line & staff bring lowered commitment to organisational objectives. The 'Y' theory establishes improved human resources, either for resolving conflicts or taking best decisions. McGregor had also written on leadership qualities of a manager. He had placed an idea of integration within the conceptual mould of transnational concept of power & influence.

Discussing and resolving the conflicts within the organisation, McGregor suggests three strategies to be adopted a) divide & rule b) suppression of differences & c) working through of differences. The first two are based upon 'X' theory, whereas the third one is based upon 'Y' theory.

Appraisal & Criticism

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

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

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

Criticism - However, McGregor is largely criticised by his critics. The main criticism is that, his theories are fine but are difficult to bring into practice. Especially his 'Y' theory seems to be difficult to bring into practice.

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

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

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

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

Herzberg

Fredrick Herzberg (1923-2000) American Psychologist with a great contribution in the field of business management. His article published in 1968 in the Harvard Business Review – "*One more Time: How do you motivate your employees*" has become very popular. Till 1987 more than a million reprints were ordered.

How to motivate employees for work?

Forget Praise.
Forget Punishment.
Forget Cash.
You need to make their jobs more interesting.

- Fredrick Herzberg

Herzberg stated the two factor theory of job satisfaction. It is also known as the motivation-hygiene theory. According to this theory employees are affected by two types of factors – there are certain factors at the workplace which cause job satisfaction and certain factors which cause dissatisfaction.

Frederick Herzberg interviewed 203 American accountants & engineers, as these were the most important professions in the business world.

When Frederick Herzberg researched the sources of employee motivation during the 1950s and 1960s, he discovered a dichotomy that still intrigues and baffles managers: The things

that make people satisfied and motivated on the job are different in kind from the things that make them dissatisfied.

What makes workers unhappy at work?

1. Irritating boss
2. Low salary
3. Uncomfortable work environment
4. Cumbersome rules.

These factors are certainly de-motivating. But even if this situation is changed favourably they don't motivate anybody to work much harder or smarter. People are basically motivated by interesting work, challenge and increasing responsibility.

Herzberg's work influenced a generation of scholars and managers

Two factor theory:-

<i>Hygiene</i>	<i>Motivators</i>
<i>Salary</i>	<i>Nature of work</i>
<i>Job security</i>	<i>Sense of achievement</i>
<i>Working conditions</i>	<i>Recognition</i>
<i>Level and quality of supervision</i>	<i>Responsibility</i>
<i>Company policy</i>	<i>Personal Growth</i>
<i>Administration</i>	<i>Advancement</i>
<i>Interpersonal relations</i>	

5.3 CONTEMPORARY MOTIVATIONAL THEORIES- McCLELAND, COGNITIVE EVALUATION VICTOR VROOM'S EXPECTANCY THEORY

McClelland's Theory

McClelland's Need Theory, created by psychologist David McClelland, is a motivational model that attempts to explain how the needs for achievement, power and affiliation affect the actions of people from a managerial context. It is often taught in classes concerning management or organizational behaviour.

Need for achievement

People who are achievement-motivated typically prefer to master a task or situation. They prefer working on tasks of moderate difficulty, prefer work in which the results are based on their effort rather than on luck, and prefer to receive feedback on their work.

Need for affiliation

People who have a need for affiliation prefer to spend time creating and maintaining social relationships, enjoy being a part of groups, and have a desire to feel loved and accepted. People in this group do not typically make effective managers because they worry too much about how others will feel about them.

Need for power

This motivational need stems from a person's desire to influence, teach, or encourage others. People in this category enjoy work and place a high value on discipline. The downside to this motivational type is that group goals can become zero-sum in nature. That is, for one person to win, another must lose. However, this can be positively applied to help accomplish group goals and to help others in the group feel competent about their work. McClelland proposes that those in the top management positions should have a high need for power and a low need for affiliation. He also believes that although individuals with a need for achievement can make good managers, they are not suited to being in the top management positions.

Cognitive Evaluation theory

It is a psychological theory explaining the impact of external factors on motivation. Motivation as related to the level of competence or incompetence of the individual. This theory also deals with how likely it is that people will believe that what they do is controlled either internally by themselves or externally by their environment and other people. People view tasks in terms of their level of comfort and how well that task meets their needs to feel in control of their actions and competent in performing those actions.

One relevant psychological principle related to cognitive evaluation theory is called locus of control. People whose internal locus of control is stronger will feel that they are in charge of how they behave and of their level of proficiency when they complete tasks. Those whose external locus of control is stronger believe that other people or their environment have more influence over what they do than they personally do themselves. Most people have a degree of both of these loci of control but have one that is stronger than the other. People's locus of control determines whether internal or external influences will have more of an effect on their successful completion of tasks and their accompanying feelings of competence.

Cognitive evaluation theory says that when people are internally motivated, their feelings of competence and their drive to succeed also come from within. They are less dependent on the praise or criticism of others or of rewards or punishments to complete tasks successfully or to change their behavior. When people are more geared toward an external locus of control, their motivation to succeed relies more on how others react to them and their environment, and they believe that they have less control over their own success or failure.

An example of cognitive evaluation theory at work might involve a worker whose internal locus of control is stronger. She would feel that she had more control over her work and other aspects of her life than other people or her work environment did. The way to motivate a worker like this might be to give her important projects and the responsibility and authority to complete them. If her boss offered her monetary rewards such as a bonus for her work, it might actually make her feel less competent and less likely to succeed at her task or to feel motivated to do it.

Another worker whose external locus of control is stronger, on the other hand, might feel more competent when he receives praise from his boss, a raise or a certificate of recognition

for his contributions. This worker would require more external validation for his efforts. Any external validation that he received would, in turn, increase his motivation and help him to feel more competent. Criticism or failure related to a task that he completed at work, however, would lower his feelings of competence and self-worth and would decrease his motivation.

Victor Vroom's Expectancy theory

There are three important elements in Vroom's expectancy theory:-

- 1) Expectancy:** - This is a person's perception of the likelihood that a particular outcome will result from a particular behaviour or action. The likelihood is probabilistic in nature and describes that relationship between an act and an outcome. For example, if a person works hard, he may expect to perform better and increase productivity. Similarly, if a student works hard during the semester, he expects to do well in the final examination.
- 2) Instrumentality:-** This factor relates to a person's belief and expectation that his performance will lead to a particular desired reward . it is the degree of association of first level outcome of a particular effort to the second level outcome – which is the ultimate reward for example , working hard may lead to better performance, which is the first level outcome ,which may result in a reward like raise in pay or promotion or both, which is the second level outcome.

If a person believes that his performance will not be recognized or lead to expected rewards, he will not be motivated to work hard to improve on his techniques of teaching and communication (first level outcome) in order to get promotion and tenure (second level outcome) Accordingly to, the instrumentality is the performance- reward relationship

- 3) Valence:-** Valence is the value a person assigns to his desired reward. He may not be willing to work hard to improve performance, if the reward for such improved performances not what he desires. It is not the actual value of the reward but the perception of the reward in the mind of the worker that is more important. Some may consider recognition and status more important. Another person may be more interested in job security than status.

Accordingly, the level of motivation of a person depends upon:-

- a) Expectancy:-** A worker must be confident that his efforts will result in better productivity and that he has the ability to perform the task well.
- b) Instrumentality:** - The worker must be confident that such high performance will be Instrumental in getting desired rewards.
- c) Valence:** - The worker must value these rewards as desired and satisfactory.

Simply making motivation factors available to people is not enough. People must believe that by working, they will receive rewards that are important to them. People's actions are based on their expectations as well as their needs. Unless there is a positive expectation of a reward that well satisfies a need, an individual will not take action.

The experience of one manufacturing company indicates the importance of expectations. The management head decided to expand the company, and it knew that a number of supervisors would be needed to prepare for the expansion, the company decided to run a training programme for its employees (non-supervisors) to prepare them to become supervisors. The programme was free and open to all employees. When the programme started, only three people attended. Management interviewed the employees who did not participate to find out the reasons for their poor participation. Many employees stated that they would like to be promoted but did not feel that attending the programme would help. "promotion is based on whom you know," was the commonly expressed opinion. In other words although promotion was a motivating factor to employees, they did not participate in the training programme because they did not believe it would help them in getting promotion.

Similarly, how hard people work is affected by their needs and whether or not they expect a good job performance to result in rewards that will satisfy their needs. To be motivated, people must believe that by working hard, they will fulfil the needs that are important to them. In short, we can say, that if a manager wants to motivate his employees, he should do the following: -

1. Try to offer rewards (motivation factors) that are important to his employees.
2. Create positive expectations.

Vroom's theory recognizes the importance of various individual needs and motivations. It thus avoids some of the simplistic features of the Maslow's and Herzberg's approaches. It does seem more realistic.

5.4 CONCLUSIONS

We have seen all the major motivational theories in brief in the above sections. Many other thinkers have criticized these theories but still they remain relevant and provide valid explanations of motivation. The early theories laid the foundations for the contemporary theories. The most important point is that all these theories have practical value. Managers and Administrators in public and private enterprises still depend upon these theories to analyse behavior of employees.

5.5 SUGGESTED READINGS

- 1) S. R. Maheshwari: Administrative Thinkers; Macmillan India Ltd, New Delhi, 1998.
- 2) D. Ravindra Prasad; V. S. Prasad; P. Satyanarayana (Ed); Administrative Thinkers; sterling Publishers Pvt. Ltd., New Delhi, 1989.

5.6 UNIT END QUESTIONS

1. Discuss Maslow's motivational theory
2. Critically discuss McGregor's 'X' Theory.
3. Critically explain the 'Y' Theory of McGregor.
4. What are the features of 'X' Theory?

5. Discuss the characteristics of 'Y' Theory.
6. In what way, McGregor's 'Y' theory has relevance today?
7. Explain the concept 'Scanlon Plan'.
8. What is carrot stick theory?
9. Explain 'Y' Theory of McGregor in collaborating Line & staff relationship.
10. Discuss Herzberg's two factor theory.
11. Discuss McLeland's motivational theory
12. Discuss the cognitive evaluation theory
13. Discuss Vroom's expectancy theory



MODULE IV

EMERGING TECHNIQUES AND TOOLS IN PUBLIC ADMINISTRATION**Unit Structure**

- 6.0 Objective
- 6.1 Introduction
- 6.2 Meaning
- 6.3 E-Governance
- 6.4 Public Private Partnership
- 6.5 References
- 6.6 Unit End Questions

6.0 OBJECTIVE

The main objectives:-

- To understand the new tools helping the administration
- Concentrate on two main processes –
 - E-Governance
 - Public Private Partnership

6.1 INTRODUCTION

Ever increasing population, urbanization, slums, environmental problems, natural disasters and other increasing complications are making administration very tough and nightmarish for the administrator. There are two basic problems – number one the ever increasing scale and magnitude of problems and secondly ever shrinking funds. Thanks to these new tools the administrators are breathing a sigh of relief.

E-Governance or electronic governance, i.e. governance with the help of computers, networks and other information and communication technology tools has helped a lot to solve the problem of magnitude. The robust databases help to keep track of individual records out of billions of records with an ease. Raw data is organized systematically. It can be easily processed to obtain useful information which forms the basis of decision making process. Searching, editing and updating information that too on a real time basis has

become possible. Furthermore all this can be done with a single click. No manual intervention is required.

Public Private Partnership has solved the financial problem to a large extent. Roads and bridges are constructed through public private partnership schemes. A large network of expressways has been constructed in the last decade. All these express ways are maintained regularly.

In this chapter we will deal with the nitty-gritty of all these new tools.

6.2 MEANING

The impact of information technology on Indian Administration finds manifestation in the Electronic governance, i.e. e-governance. EG is the application of ICTs to the processes of government functioning to accomplish simple, accountable speedy, responsive and transparent governance.

E-G is not about simply automating their current ways of doing business. With the new tools of a networked society, government is not merely computerising existing government; it is transforming the existing government.” E-G is the ICT enabled route to achieving good governance. It integrates people, processes information and technology for meeting governance goals. E-G represents a journey from passive information giving to active citizen involvement:

Informing The Citizen; Listening to the citizen; Representing the citizen; consulting the citizen; engaging the citizen.

“E-G involves new styles of leadership, new ways of debating and deciding policy and investment, new ways of accessing education, new way of organising and delivering information and services.”

The Principal goals of expanding e-government are

To Make it easy for citizen to obtain service and interaction with the government at different levels;

- Improve government efficiency and effectiveness; and
- Improve government responsiveness to citizens.

Government to Citizen (G2C) initiatives are to bring one-stop, online access to benefit and services. This potential for under activity is identified as one of the most important elements in the way E-G will change the nature of government.

Government to Business (G2B) initiatives will adopt processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses and enable digital communication with business using the language of e-business.

Government to Government (G2G) initiatives will enable sharing and integration of Central, State and local data to facilitate better leverage of investments in IT systems and to provide better integration of key government operations.

Internal Efficiency and Effectiveness initiatives will bring commercial best practices to important government operation, in particular, supply chain management, human capital management, financial management and document workflow.

The application of information technology to administration is described as E-Administration. This process includes computerisation of land records which are very vital to the rural community, electronic access to administration and its functionaries and immediate availability of information sought as well as redressal of grievances.

Potential Benefits of E-G and E-A

E-G is widely recognised as an effective instrument to:

- reduce poverty and spur sustainable development
- foster democracy, efficiency and transparency.
- provide better services for its citizens and
- promote competition and innovation thus improving the quality of life for communities.

Electronic delivery of services and information would enable governments to

- reduce geographical and language barriers
- facilitate timely delivery
- accommodate special needs
- integrate processes and functions to achieve efficiencies and cost reduction.
- respond to rapid changes and
- be available to the public anytime, anywhere.

Countries like India have the opportunity to leapfrog development cycles by adopting proven best practices in governance.

E-G yield three broad sets of benefits

- Improving government processes;
- Connecting citizens;
- Building relationships with and within civil societies.

Automation can cut financial and time costs and support efficiency or productivity improvements. In developing countries where relatively inexpensive manpower is available, replacing them with costly ICTs cannot be justified on financial cost ground; ICTs need to be justified in the context of other long term imperatives.

The source of efficiency gains are

- Governance that is cheaper: producing the same outputs at lower cost;

- Governance that does more: producing more output at the same total cost;
- Governance that is quicker: producing the same output at the same total cost in less time.

The sources of effectiveness gains are

- Government that works better: producing the same outputs at the same total cost in the same time but to a higher quality standard;
- Governance that is innovative producing new outputs.

Other benefits

- Internally providing such benefits as close monitoring of process performance or better staff motivation or an improved public image;
- Externally, by delivering cheaper, better services to those who depend on government or transferring power, authority and resources to lower, more localised levels of administration.

Connecting citizens:

- Talking to citizens: Providing details of government activities, making public servants more accountable for their decisions and actions.
- Listening to citizens: Making public decisions more responsive to citizen's views or needs.
- Improving public: Delivering quality, services convenience, and competitive cost.

E-G helps forge better working relationship with business: digitising procurement from services to businesses improve quality, convenience and cost. E-G also contributes to developing communities.

The Process of Implementing E-G

Following framework will help to understand the issues involved in planning E-G initiatives.

Vision and context: What is possible and desirable through the use of e-government? What are the opportunities and challenges?

Responsiveness: How can e-government make governments more responsive to the need of society?

Capacity: How can e-government make government's internal operations more efficient and effective?

Operations: What is required for e-government to work?

Measurement: How do we measure the impact?

Within this framework, an E-G initiative will address specific issues such as:

- What are citizen's expectations of e-government? How can government ensure the needed capacity to collect and respond to these expectations? Can governments keep pace with rising expectations for e-services?
- How will e-government affect governments' external relation with citizens, businesses and civil society? What impact will it have on society in general?
- How will e-government offer the role and functioning of democratic institutions, including the relationship between Parliament and the Executive?
- How can e-government strategies be best formulated and managed to achieve national policy objectives?
- Will e-government result in changes in procedures and/or lines of accountability that increase transparency and accountability?
- How can administrations best organise and plan to take full advantage of the communications and networking potential of e-government?
- How can e-government contribute to the cost efficiency of government services?
- What will be the implications for government structures and processes?

The above questions address such aspects of public administration as the delivery of services, decision-making, knowledge management, communication, human resources and financial management and regulations. They will also help assess the potential impacts of e-government in transparency and accountability, efficiency and effectiveness and overall coherence of government.

Stages of Implementation of E-G

United Nations has identified five phases for assessing a Country's progress towards E-G.

Phase I - Emerging Web presence: This is the start-up phase of Passive relationship between the government and the public. Government and its clients do not communicate on the Web. A Country may have a single or a few official national government Websites that offer static information to the user. Laws, regulations and rules, guidelines, handbooks, directories, etc. are published on the Internet.

Phase II - Enhanced Web presence: This phase represents an Active / Passive relationship; the government is active in disseminating information but users are passive. The number of government Web pages increases as information becomes more dynamic with users having more options for accessing information. Users may be able to download specific forms.

Phase III - Interactive Web presence. In this Active/Active Relationship, interactions between government and the public can be completed on the Web. Users can obtain a tax form on the Web, fill it in on the Web, and send it back to the tax authority through the Web.

Phase IV - Transactional Web presence: E-government matures at this phase. Business transactions can be fully completed on the Web, electronic filing and subsequent

electronic funds transfer. Restructuring the government becomes imperative at this stage.

Phase V - Fully Integrated Web presence: This phase represents the complete integration of all online government services through a one-stop-shop portal.

Two Most Important Electronic Delivery Channels

Two of the most popular and effective electronic delivery channels for government information and services are Public Kiosks and World Wide Web Home Pages/Internet.

Websites

Internet's WWW is the most, ubiquitous and least expensive medium to disseminate information for government (in fact, anybody) on its services and initiatives as well as culture, economic and other subjects unique to a region. Government and government agencies across the world are creating large number of Websites to exploit this medium.

There are, however, two disadvantages: usage is available only to those individuals with access to a personal computer and internet; only transmission of information not for the actual transmission of services.

Public Kiosks

International examples abound of the effective use of Kiosk technology deliver government information and services. A variety of concepts are used to describe public access communication and information services, commonly known as teleservice centres.

One of the greatest attraction of telecentres is that costs are kept low by taking advantage of the fact that communication and computing technologies allow voice, fax and internet data to travel over the same telecommunication link.

In countries like India with low computer literacy, and low computer/ internet connectivity, relevance of telecentres is extremely high. The intervention of a human intermediary with skills and knowledge between the citizen and growing digital infrastructure of e-governance, as is provided at a telecentre, is of vital importance.

Telecentres can be publicly or privately owned, be part of a public or private franchise or may be owned or operated by government departments, schools, community organisations and NGOs. Telecentres are started in co-operatives, libraries, community centres, churches, and farmers' groups, or even operated by a community radio station. They can operate as individual businesses, as part of a franchise or as multi-branch company.

Worldwide, telecentres will range from a Micro centre with pay phone(s) with a built-in web browser and possibly a smart card reader and receipt printer to a Full Service Telecentre with many phone lines, multimedia PCs with internet access; printers, a scanner, a digital camera, a video camera, a TV, and overhead projector, a photocopier, a laminator, meeting rooms; and a telediagnostic and video conferencing room.

Typically, telecentres will provide a range of services as well as information on a variety of subjects which a visitor wants to access. The services include Web-based content in local languages, email/voice mail; word processing and desk top publishing; online display

of examination results; telemedicine; online grievance redressal; e-commerce; music and games; internet telephony; distance education, training and skill development; information access through CDs; downloading forms/ applications and online submission; and telemarketing

Pre-conditions for Success in Implementing E-G

Management of information is a complex task because of its complex characteristics, more so when you deal with that of an institution like Government.

The path to E-G is strewn with many obstacles - reluctance to accept change; many governments see the free flow of information as a threat; some use IT to empower the people, others to gain more control; legacy of paper-based systems; existing laws and regulations; deeply-entrenched cultural habits of civil servants security and confidentiality concerns; shortage of skilled knowledge workers; and high public expenditure.

Lack of readiness for E-G contributes to both lack of and failure of E-G initiatives. A wide range of infrastructure has to be in place before a government can effectively take on E-G.

Data System

The management systems, records and work processes have to be readied to provide the quantity and quality of data to support E-G.

Capability to use local languages in their systems has to be ensured. Content on the Website should be current, accurate, understandable, trustworthy and available in a timely manner.

Legal Infrastructure

The laws and regulations required to support E-G should be enacted. For instance, creation of Public key Infrastructure and Certification Authorities are essential without which e-commerce and E-G. in the final phases, cannot take off effectively. Public Key Infrastructure is to encrypt communications for security, authentication and non-repudiation for facilitating online transactions.

Technological Infrastructure

Creation of network infrastructural in which computing, connectivity, interoperability and security are assured is of vital importance. Developing a high-capacity communications infrastructure is essential to reduce the current digital divide between high bandwidth (generally urban) and low speed dial up users'.

Human Infrastructure

People with the right skills, attitudes or mindsets are essential to initiate, implement and sustain E-G. Most of those in the government tend to resist change, lack customer orientation and resist information-sharing.

Ensuring this is the greatest challenge.

Institutional Infrastructure

There has to be a dedicated institution to act as a focus, to lead and drive E-G.

Leadership and Strategic Thinking

Successful E-G initiatives demonstrate that one champion or a small group of champions provide the leadership and vision to take other along and put E-G on top of the agenda of a given government. The passion with which Chandrababu Naidu, the Chief Minister of Andhra Pradesh, has been pursuing E-G initiatives is a case in point.

Think Big, Start Scale Fast” is a robust guideline to pay attention to while implementing E-G programmes.

6.3 E-GOVERNANCE IN INDIA

A wide range of E-G initiatives are being pursued at the national as well as the State-level with varying levels of commitments and success.

According to NASSCOM, the southern States of Andhra Pradesh, Karnataka and Tamil Nadu are leading in terms of implementation at different citizen-Government interfaces. Others, Kerala, Gujarat, Maharashtra, West Bengal and Rajasthan are catching up fast.

Nevertheless, other than a few show-case projects, E-G has not made much progress due-to several operational, financial, personnel, planning and implementation challenges.

The major hurdles

- **Operational hurdles**

No clear revenue stream for the private sector; lack of coherent government policies; inappropriate processes for tendering, RFPs and bid assessment.

- **Financial**

Government unwilling to commit funding; uncertainties in viability of public-private partnerships.

- **Planning and Implementation**

No clear roadmap with measurable milestones; focus on computerisation and hardware spend; low emphasis on process re-engineering and management change.

- **Personnel**

Absence of appropriate work Culture; lack of ownership of projects and frequent personnel transfers, NASSCOM has recommended a **three-phase Action Plan for E-Governance**.

Phase I: By end 2003

- IT training to be made mandatory for all Class I government personnel.
- Tendering and bid evaluation procedures are re-written to encourage participation.

- NISG (National Institute of Smart Governance) to be operational. Role of NIG (National Informatics Centre) to be clearly defined.

IT champions in Government departments.

Phase II: By end-2004

- State 'wide' area network in place
- PC: Personnel ratio of 1:4 in all departments
- Identify core projects to be automated
- Citizen ID cards
- Computerisation of all land records
- State funding from Centre to be linked to e-Governance spending.

Phase III: By end-2005

- States to offer citizen services online
- 50% of all government, procurement to be online
- Focus on developing applications for primary health, disaster management and education.
- Accelerate public-private partnership when core infrastructure and procedures in place.
- Secure multi-lateral funding to accelerate e-Government spending.

Some E-Governance Initiatives

A brief account of some noteworthy e-governance initiatives is as under:

1. Gyandoot

Gyandoot (Messenger of Information) Project, India's most successful government-to-citizen intranet project, set up over 30 internet-connected villages in a district in Madhya Pradesh provide user-charge-based services to the rural people.

The capital investment involved in setting up the kiosk is taken care of by the District Council and is operated by a carefully chosen local matriculate who runs it on commercial lines. He bears the cost of stationery, maintenance and electric and telephone bills. He Pays 10% of income as commission to the District council for maintaining the net. Each kiosk operator is expected to earn a net income of at least-Rs. 36,000 per annum at conservative projections.

The services and facilities offered are

Prices of agriculture produce at different auction centres (at a nominal charge of Rs. 5/-

); on-line registration of applications for obtaining income/caste/domicile certificates (for Rs. 10), on-line public grievance redressal (Rs. 10/-); a fee based e-mailing facility; village auction site at Rs. 25/-) one can put one's Commodity on sale for three months and Rs. 10/- for browsing the list of saleable commodities); on line matrimonial site (Rs. 25/- for three months); information regarding government programmes.

The public expects government services to be comparable with the best services available from the private sector in terms of quality, accuracy, timeliness and user-friendliness. They no longer tolerate delays, bureaucratic mistakes or excessively time consuming difficult procedures. They expect to be treated individually and to have range of options available to them, enabling them to select the best combination for their needs.

Decision-makers in government today are confronted with proposals for reinventing, reengineering, redesigning; downsizing or outsourcing the processes of their organizations. All driven by Information and information and Communication Technologies (ICTs).

"E-government is a tool. And like any tool, no matter how powerful, it has limited value and relevance in itself. Its value arises from its application to specific goals and objective.

In the final reckoning, what matters is how far E-G initiatives help improve the quality of life and foster sustainable human development by bringing together public and private interests to build the digital infrastructure, or by refashioning government processes to bring them more in line with the operating practice of business, or by improving the policy formulation process to make policy more effective and responsive in a changing environment.

"While many governments are making strides, too few are moving quickly enough, and none can afford to be left behind", IBM.

A recent study done at the Brown University, USA, analyzing the performance of 1197 national government Websites in 198 countries on a 100-point scale using two dozen different criteria Indicates

- Services offered in 88% of government Websites are not executable online.
- 86% of the Websites have no privacy policy.
- 91% have no Security policy.
- 75% did not respond to an email responsiveness test.

Of course, considering the newness as well as the complexity of the technology and its application, what we have achieved is surely not unremarkable. The point however, is that for Leveraging the full benefit of the greatest technology of our times for E-G, lot more remains to be done.

Kerala - FRIENDS

The Dept. of IT, in association with the local bodies and seven government departments have set up an Integrated Services Centre called FRIENDS (Fast, Reliable, Instant, Efficient, Network for Disbursement of Services) with a view to enabling a smooth and transparent C2G interface. These centres accept rail utility bills, taxes and fees

pertaining to the participating departments and offer quality services to the citizens. FRIENDS have been launched in all 14 district headquarters in the States.

Kerala - AKSHAYA

The project is envisaged as a practical, commercially viable enabler to impart basic IT literacy to at least one member of each of the 65 lakh families in the State and to extend the training initiative into a service delivery mechanism for the local citizen conceived as a Public Private Partnership programme. Each of the Akshaya centres will be equipped with necessary equipment like computers, fax, printers, telephones, broad band Internet connection and software so as to cater to the information and communication requirements of the local citizens.

The Internet (arguably the most important communication tool the world has seen, so far), powerful microprocessors, high capacity digital services, low-cost memory, and broadband networks are redefining the world as we know it.

The breathtaking pace of technological change transforming every institution. Human knowledge is doubling every seven to ten years. Communication is now nearly instantaneous. These changes are causing staggering upheaval in the familiar systems including governance.

6.4 PUBLIC- PRIVATE PARTNERSHIP

Objectives

1. To define the concept of PPP
2. To understand its necessity
3. To know how it is implemented
4. To know which sectors have priority
5. Consider sector wise details

Introduction

Resource crunch is a major problem faced by all governments world over. Public Private Partnership has been considered the best solution to this problem. It basically means utilization of private capital and other resources such as technical expertise for national development. Government of India has adopted the policy of PPP. Following is a brief introduction to PPP and initiatives taken by government of India.

What is PPP?

The Government of India policy document provides a comprehensive definition of PPP:-

“Public Private Partnership means an arrangement between a government / statutory entity / government owned entity on one side and a private sector entity on the other, for the provision of public assets and/or public services, through investments being made and/or management being undertaken by the private sector entity, for a specified period of time, where there is well defined allocation of risk between the private sector and the public entity

and the private entity receives performance linked payments that conform (or are benchmarked) to specified and pre-determined performance standards, measurable by the public entity or its representative.”

1. It is an arrangement between a public and private entity
2. Provision of assets and services is its main aim
3. Investment is made by the private entity
4. The project may be managed by the private entity or by the public entity or by both – that differs from project to project.
5. A time limit is specified for the project – it is not a perpetual project – it will definitely end at some point of time
6. Risk is allocated between the public and private entity – mere outsourcing can't be considered as a PPP project.
7. Private entity receives performance linked payments
8. Performance must conform or benchmarked to specified and predetermined performance standards
9. And the performance standards must be measurable by the public entity or its representative.

Why PPP is essential?

We (over a billion Indians) require faster and faster internet services, Wi-Fi connectivity everywhere, we wish to use our mobile phones all over India without extra roaming charges, we want 24/7 uninterrupted power supply – we need many more things including smooth expressways, fastest railways in the world – like the legendary bullet train of Japan, air connectivity between all urban centres, universities and technical institutes imparting high quality education, malls, multiplexes – the list is unending and ever-growing. We desperately need all these things. Our aspirations are growing day by day. Huge investments are required to fulfil these demands. Resources are always scarce and therefore it is considered that PPP is the only way out.

India is in need for capital flows in order to reduce its current account deficit (CAD) which reached a record high of 4.8% of the GDP in the previous financial year. In 2012-13, India received FDI worth \$22 billion which was 38% lower than what had it had received in the previous financial year.

Leading industrial association in India ASSOCHAM (Associated Chambers of Commerce and Industries of India) feels that PPP is the only model left for development. According to the organization

“As the Centre is able to spend less than 15% of its entire expenditure budget on creating capital assets, the only way left for India to build infrastructure such as roads, ports and airports is to push the public-private partnership ”

“That leaves a big question as to where the resources are going to come from for building roads, hospitals, colleges, ports and airports. If we have to achieve our aspiration of reviving and maintaining plus eight per cent GDP growth, we

desperately need this basic infrastructure. Otherwise, our manufacturing, service and the social sectors would suffer from high rates of inefficiencies and cost escalations”

It said the only option left is to go in aggressively for the PPP model of development for which a greater clarity is required in terms of assuring transparency, reasonable return to investors and a fair deal to the users of infrastructure like highways, airports.

For building infrastructure India needs new source of capital. There are too many administrative and regulatory hurdles in the process of development of a PPP project. Very few MNCs want to deal with the government and its regulators on a daily basis.

Government of India's PPP policy

India has one of the most ambitious public-private partnership (PPP) programmes for infrastructure in the world. The private sector accounted for 30 per cent of all investment in infrastructure in the last Plan period and is supposed to mobilize 50 per cent (\$500 billion) of the planned infrastructure spending for 2012-17.

The Government of India has designed a national PPP policy. It feels that PPP complements the inclusive growth aspirations of the nation. PPP will help in improving the level and the quality of economic and social infrastructure services across the country. India has already witnessed considerable growth in PPPs in the last one and half decade. It has emerged as one of the leading PPP markets in the world.

Government of India has set up Public Private Partnership Appraisal Committee to streamline appraisal and approval of projects. Transparent and competitive bidding processes have been established.

Government of India has also realized the necessity of a broad policy framework to set the principles for implementing projects in diverse sectors and accordingly has designed a broad policy framework. It ensures value for money rationale, facilitates competitiveness, fairness and transparency in the whole process.

Major PPP projects are being undertaken in the following sectors:-Following sectors have been identified by the government for PPP

1. Power
2. Tele - communications
3. Roads
4. Ports - With 13 major ports and over 180 minor ports, the 7,517-kilometer long Indian coastline plays a key role in maritime transport amongst international trade capabilities. It is forecasted that by the end of 2017 port traffic will amount to 943.06 million tons for India's major ports and 815.20 million tons for its minor ports.

The government has developed its port infrastructure through an investment of US\$25 billion through public-private partnerships (PPP). An independent Crisil credit rating report focusing on Indian ports and maritime transport estimated that port capacity grew by 160 percent over the 2011–12 period. Cargo handling at the major ports grew at 7.7 percent annually during 2011-12, while cargo traffic reached 877 million tons by

2011-12. Containerized cargo is expected to grow at 15.5 percent over the next seven years.

5. Civil Aviation & Airports - Including grass runways, India has a total of almost 500 airports, of which 16 have international status. Of these, the Airports Authority of India (AAI) manages 125. The AAI has stated it aims to upgrade all of these as well as adding new locations to better unify the country within the next 10 years. This will require significant infrastructure investment in terminals, runways and related construction to generate full operational and passenger management capabilities.
6. Petroleum & Natural Gas - Private sector involvement has been sought to help the government meet the fund requirement given high crude oil prices. This involvement is meant for the 12.5 million tonnes (mt) of additional strategic storage facility planned during the 12th Plan period (2012-17).

Participation will be allowed on the condition that crude oil should be available for release at the government's discretion. Crude oil from these reserves will be released in situations when there is a short-term supply disruption, a natural calamity or a global event such as a war that may lead to an abnormal increase in prices.

7. PPP in Education - "Public-private partnerships can revolutionise education in India and facilitate growth to help prevent millions of children missing out on quality education. They can raise the standards of education provision in India and help meet the demand for quality education from a growing middle class with increasing incomes," spokesperson for the Global Education and Skills Forum Chris Kirk, said. Government is setting up five Jawahar Navodaya Vidyalayas under Public-Private Partnership. So far, there are 586 JNVs across 576 districts fully funded by the HRD ministry.
The five JNVs under PPP would be set up at Nandurbar (Maharashtra), Narmada (Gujarat), Dahod (Gujarat), Palamau (Jharkhand) and Gaya (Bihar).
The private partner will be entrusted with the design, construction and landscaping of the school. The private partner will also be responsible for operation and maintenance of all services and financing of capital and operating expenditure. The total cost of each JNV will be less than Rs 100 crore. Teaching and academic activities will be entirely managed by the Navodaya Vidyalaya Samiti.

Some projects undertaken under the PPP programme

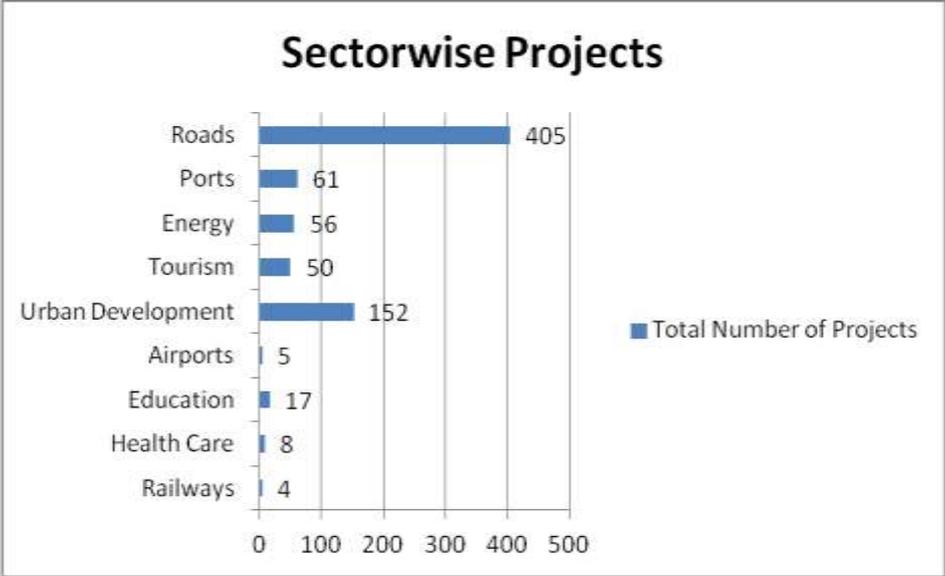
Several initiatives have been undertaken by Government of India to enable a greater PPP framework in order to eradicate the above mentioned constraints. Various foreign as well as private investments by waving off charges are encouraged. Framing of standardized contractual documents for laying down the terminologies related to risks, liabilities and performance standards have been devised. Approval schemes for PPPs in the central sector have been streamlined through Public Private Partnership Appraisal Committee or PPPAC. A website has been launched for the purpose of virtual PPP market serves as an online database for PPP projects.

1. Construction of Container Terminal at Ennore Port in Tamil Nadu on BOT (build operate and transfer) basis
2. Four laning of Hazaribagh-Ranchi stretch of NH 33 from Km 40.500 to Km114.000 including Kujju bypass in the State of Jharkhand. under National Highways Development Project (NHDP) Phase IIIA on BOT(Annuity) Basis
3. Six laning of Krishnagiri-Walahjpet section of NH 46 from Km 0 to km 148.30 in the State of Tamil Nadu under NHDP V on BOT basis

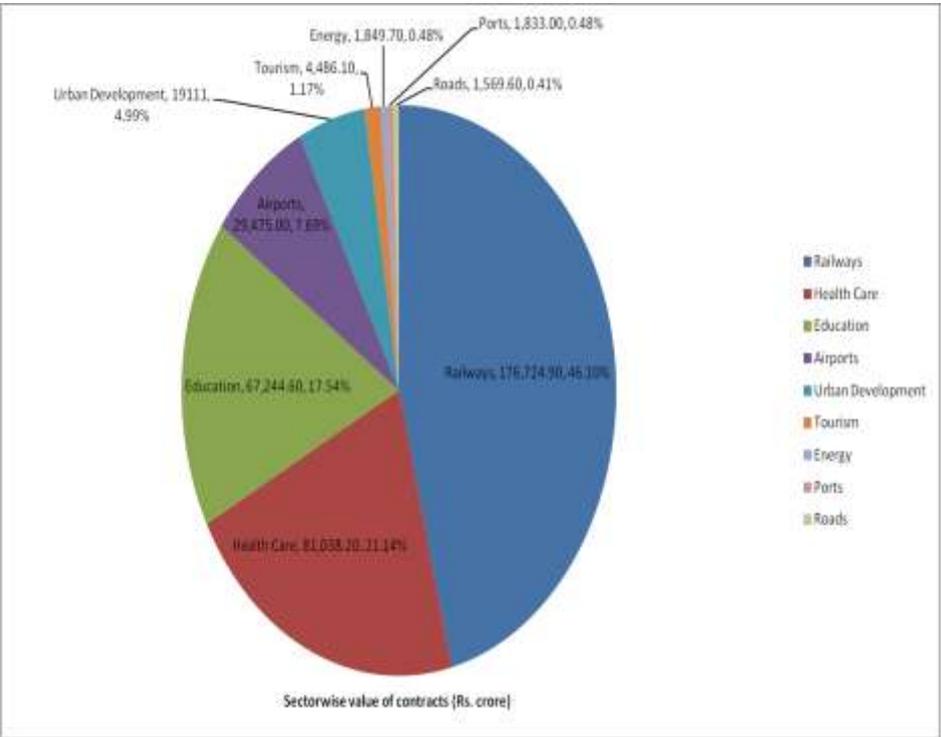
4. City side development of Amritsar Airport through PPP
5. Development of 13th to 16th Multipurpose Cargo (other than Liquid/Container) Berths at Kandla Port basis
6. Redevelopment of New Delhi Railway station
7. Operations, Management and Maintenance of Shyama Prasad Mukherjee Swimming Pool Complex (New Delhi) on PPP Basis
8. Development of Housing cluster for Central Para Military Forces (CPMF) under Ministry of Home Affairs in PPP Mode in various states
9. Development of the Assam -1 Housing Cluster on BOT (Annuity Basis)

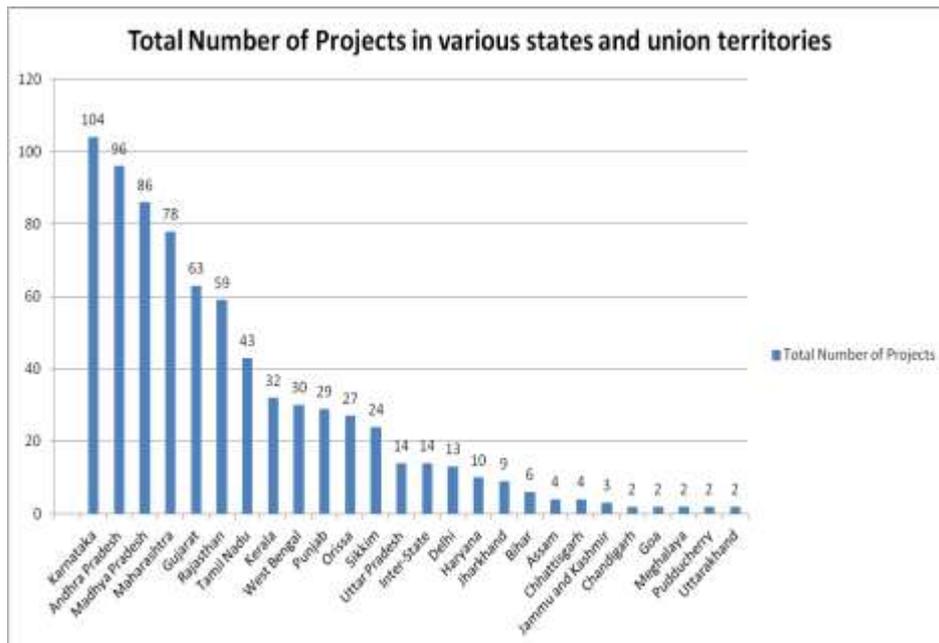
A detailed list of all projects is available at this site

Sector	Total Number of Projects	Based on 100 crore	Between 100 to 250 crore	Between 251 to 500 crore	More than 500 crore	Value of contacts
Airports	5	-	-	303	18808	19111
Education	17	424.2	365.5	460	600	1,849.70
Energy	56	337.6	934	3,083.00	62,890.00	67,244.60
Health Care	8	315	343	275	900	1,833.00
Ports	61	86	1,745.30	4,304.80	74,902.10	81,038.20
Railways	4	-	102.2	873	594.3	1,569.60
Roads	405	4,364.60	11,696.50	38,520.50	1,22,143.30	1,76,724.90
Tourism	50	1,132.60	1,503.50	800	1,050.00	4,486.10
Urban Development	152	2,812.00	3,136.90	6,688.20	16,838.00	29,475.00
Total	758	9,471.90	19,826.90	55,307.50	2,98,725.80	3,83,332.10



The above graph and table clearly shows that maximum number of projects is in the roads sector





The master list of all PPP projects in India till 2011 is available at this site - <http://www.pppindiadatabase.com/Uploads/Master%20List%20PPP%20Projects%20in%20India%20as%20on%20January%2031,2011.pdf>

6.5 REFERENCES

- <http://www.pppinindia.com/>
- <http://www.pppindiadatabase.com/>

6.6 UNIT END QUESTIONS

- 1) Briefly discuss the emerging techniques in administration.
- 2) What is E-Governance? Briefly explain the concept with special reference to developments in India.
- 3) Discuss the development of PPP in India with suitable examples.



CRITICAL PATH METHOD, PROGRAMME EVALUATION AND REVIEW TECHNIQUE, MANAGEMENT INFORMATION SYSTEM

Unit Structure

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Critical Path Method
- 7.3 Programme Evaluation and Review Technique
- 7.4 Management Information System
- 7.5 Conclusion
- 7.6 Summary
- 7.7 References
- 7.8 Unit End Questions

7.0 OBJECTIVES

- To understand Critical Path Method (CPM) and Programme Evaluation and Review Technique (PERT), their advantages and limitations.
- To study Management Information System (MIS), its different types, enterprise applications and advantages.

7.1 INTRODUCTION

Recent years have witnessed an increased pressure on governments to introduce major reforms in their public administration system. An increased efficiency, economy and effectiveness in public management are expected to be brought about through a reorganisation of institutional space and a reorientation of government. Total quality management is required not only in the processes for administering ongoing programs and services in the private sector, but also in the implementation of a public policy. The requirements of project management are to marshal and coordinate the resources necessary to complete the project on time and in a way that is efficient and that accomplishes all the goals of the project. There are several approaches to management tasks that are especially appropriate for projects. This chapter examines three techniques/ tools - Critical Path Method (CPM), Programme Evaluation and Review Technique (PERT) and Management Information System (MIS) by which planning and execution of complex projects have been made easier.

7.2 CRITICAL PATH METHOD (CPM)

In 1957, DuPont an American Chemical Company developed a project management method designed to address the challenge of shutting down chemical plants for maintenance and then restarting the plants once the maintenance had been completed. Given the complexity of the process, they developed the **Critical Path Method (CPM)** for managing such projects.

CPM is a graphical technique for planning and scheduling of projects. It is used as a decision making tool for analysing and administering large complex projects to be performed in some technological sequence. CPM is an activity oriented technique of network analysis. CPM is commonly used with all forms of projects, including construction, aerospace and defense, software development, research projects, product development, engineering, and plant maintenance, among others. Any project with interdependent activities can apply this method of mathematical analysis. Although the original CPM program and approach is no longer used, the term is generally applied to any approach used to analyse a project network logic diagram. There are a number of software and training programs for critical path method advertised and available on the Web.

7.2.1 Steps in CPM Project Planning

A critical path method is a network of events, each one of them linked to the following activities. Each activity is represented as a node on the network, and connecting lines are drawn to represent the time schedule to complete that activity. A critical path method schedule must be completed using the following steps:

- **Specify the Individual Activities**
From the work breakdown structure, a listing can be made of all the activities in the project. This listing can be used as the basis for adding sequence and duration information in later steps.
- **Determine the Sequence of the Activities**
Some activities are dependent on the completion of others. A listing of the immediate predecessors of each activity is useful for constructing the CPM network diagram.
- **Draw the Network Diagram**
Once the activities and their sequencing have been defined, the CPM diagram can be drawn. CPM originally was developed as an activity on node (AON) network, but some project planners prefer to specify the activities on the arcs.
- **Estimate Activity Completion Time**
The time required to complete each activity can be estimated using past experience or the estimates of knowledgeable persons. CPM is a deterministic model that does not take into account variation in the completion time, so only one number is used for an activity's time estimate.
- **Identify the Critical Path**
The critical path is the longest-duration path through the network. The significance of the critical path is that the activities that lie on it cannot be delayed without delaying the project. Because of its impact on the entire project, critical path analysis is an important aspect of project planning.
The critical path can be identified by determining the following four parameters for each activity:

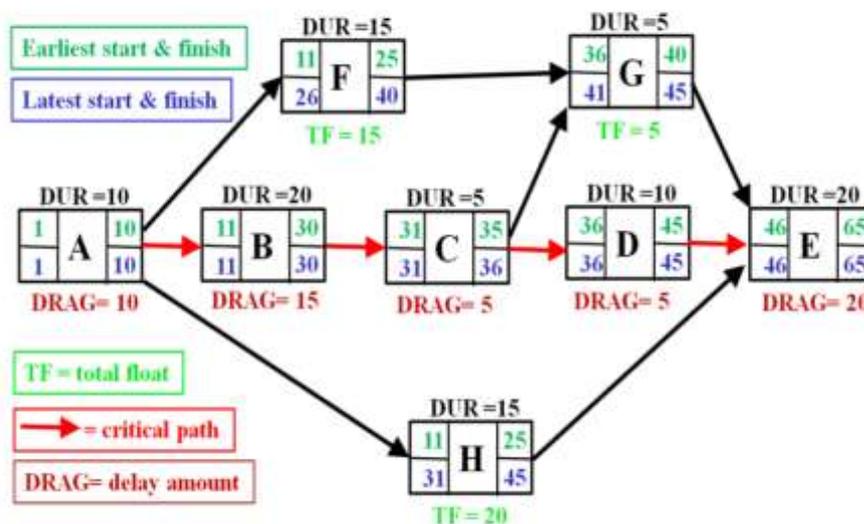
- ES - earliest start time: the earliest time at which the activity can start given that its precedent activities must be completed first.
- EF - earliest finish time, equal to the earliest start time for the activity plus the time required to complete the activity.
- LF - latest finish time: the latest time at which the activity can be completed without delaying the project.
- LS - latest start time, equal to the latest finish time minus the time required to complete the activity.

The slack time for an activity is the time between its earliest and latest start time, or between its earliest and latest finish time. Slack is the amount of time that an activity can be delayed past its earliest start or earliest finish without delaying the project.

The critical path is the path through the project network in which none of the activities have slack, that is, the path for which $ES=LS$ and $EF=LF$ for all activities in the path. A delay in the critical path delays the project. Similarly, to accelerate the project it is necessary to reduce the total time required for the activities in the critical path.

- **Update CPM Diagram**

As the project progresses, the actual task completion times will be known and the network diagram can be updated to include this information. A new critical path may emerge, and structural changes may be made in the network if project requirements change.



Activity-on-node Diagram showing Critical Path Schedule, along with total float and critical path drag computations

In this diagram, Activities A, B, C, D, and E comprise the critical or longest path, while Activities F, G, and H are off the critical path with floats of 15 days, 5 days, and 20 days respectively. Whereas activities that are off the critical path have float and are therefore not delaying completion of the project, those on the critical path will usually have critical path

drag, i.e., they delay project completion. The drag of a critical path activity can be computed using the following formula:

1. If a critical path activity has nothing in parallel, its drag is equal to its duration. Thus A and E have drags of 10 days and 20 days respectively.
2. If a critical path activity has another activity in parallel, its drag is equal to whichever is less: its duration or the total float of the parallel activity with the least total float. Thus since B and C are both parallel to F (float of 15) and H (float of 20), B has a duration of 20 and drag of 15 (equal to F's float), while C has a duration of only 5 days and thus drag of only 5. Activity D, with duration of 10 days, is parallel to G (float of 5) and H (float of 20) and therefore its drag is equal to 5, the float of G.

These results, including the drag computations, allow managers to prioritise activities for the effective management of project completion, and to shorten the planned critical path of a project by pruning critical path activities, by "**fast tracking**" (i.e., performing more activities in parallel), and/or by "**crashing the critical path**" (i.e., shortening the durations of critical path activities by adding resources).

7.2.2 Evaluation

As a technique in project planning and implementation, CPM is helpful in:

- Project Planning and Control
- Time-cost trade-offs
- Cost-benefit analysis
- Contingency planning
- Reducing Risk

However, there are following limitations of CPM:

- CPM assumes low uncertainty in schedule dates
- Does not consider resource dependencies
- Less efficient use of buffer time
- Less focus on noncritical tasks that can cause risk
- Based on only deterministic task duration
- Critical Path can change during execution

7.3 PROGRAMME EVALUATION AND REVIEW TECHNIQUE (PERT)

The Programme Evaluation and Review Technique, commonly abbreviated PERT, is a statistical tool, used in project management, which is designed to analyse and represent the tasks involved in completing a given project. As the projects in the modern times became more complex and unusual – dams, tunnels, space programmes, involving vast resources with large number of people working for months and years, new methods of management for working under conditions of uncertainty were needed. It is commonly used in conjunction

with the critical path method (CPM). CPM was developed for complex but fairly routine projects with minimal uncertainty in the project completion times. For less routine projects there is more uncertainty in the completion times, and this uncertainty limits the usefulness of the deterministic CPM model. An alternative to CPM is the PERT project planning model, which allows a range of durations to be specified for each activity.

PERT was developed during the 1950s through the efforts of the U.S. Navy's special Projects Office working on the Polaris missile project under the leadership of Admiral W.F. Raborn. Concerned about the growing nuclear arsenal of the Soviet Union, the U.S. government wanted to complete the Polaris project as quickly as possible. The Navy used PERT to coordinate the efforts of some 3,000 contractors involved with the project. Experts credited PERT with shortening the project duration by two years.

7.3.1 Steps in Programme Evaluation and Review Technique

- To use PERT a project is analysed. Complex projects may have hundreds or thousands of events. Every task in the project is arranged in a network of activities over a time scale as an interrelated series of events.
- Each event is numbered and graphically connected with arrow to show activity relationship. PERT can effectively use computers to display graphically the network of predecessors and successor events as well as parallel events. The graphic displays gives managers day to day control of the whole programme.
- After all the events are listed in a network, their times for accomplishment are calculated. PERT managers may face situations where the tasks have never been performed before, so they calculate three possible times for each event.
 - Optimistic Time (O): The minimum possible time required to accomplish a task, assuming everything proceeds better than is normally expected.
 - Pessimistic Time (P): the maximum possible time required to accomplish a task, assuming everything goes wrong.
 - Most Likely Time (M): The best estimate of the time required to accomplish a task, assuming everything proceeds as normal.
 - Expected Time (T_E): The best estimate of the time required to accomplish a task is calculated as $T_E = (O+4M +P) \div 6$
- After the times are assigned, a computer can run simulations to show the critical path in the network. The critical path is the longest path of events. Any delay along the critical path will delay the whole project completion. Other path will have slack time, that is, tasks can be completed without pressure. As work on the project is completed computer updates can show any delays. Late completion of slack time events may change the critical path, or events may be shifted to other paths in order to complete the project on time.

The basic PERT plan just described is called PERT/time because it focuses on the time restraints. In addition PERT/cost has been developed to manage the costs of a programme. PERT was developed at the same time as the CPM. They are similar network-scheduling techniques, but they differ in terminology, time values assigned and in other ways. Features from each are sometimes used together. PERT has been used by the Federal Aviation Agency, the Atomic Energy Commission, the Office of Management and Budget, and others in the US.

7.4 MANAGEMENT INFORMATION SYSTEM (MIS)

Information is a critical resource in the operation and management of organisations. Timely availability of relevant information is vital for effective performance of managerial functions such as planning, organising, leading, and control. An information system in an organisation is like the nervous system in the human body: it is the link that connects all the organisation's components together and provides for better operation and survival in a competitive environment. Indeed, today's organisations run on information. Information consists of data that have been processed and are meaningful to a user. A system is a set of components that operate together to achieve a common purpose. Thus a management information system collects, transmits, processes, and stores data on an organisation's resources, programmes, and accomplishments. The system makes possible the conversion of these data into management information for use by decision makers within the organisation. A management information system, therefore, produces information that supports the management functions of an organisation.

7.4.1 Evolution of MIS

Initially in business and other organisations, internal reporting was produced manually and only periodically, as a by product of accounting system and with some additional statistics. Data was organised manually according to the requirements of the organisation. Though conceptually, MIS does not need computers, almost all the modern organisations have computerised their MIS. The concept of MIS evolved over the years. In the 1950s and 1960s, many organisations realised the potential of computers to process large amount of data with speed and accuracy. Early business computers were used for simple operations such as tracking sales or payroll data, with little detail or structure. Over the years, these computer applications became more complex, hardware capacity grew, and technologies improved for connecting previously isolated applications. The term MIS arose to describe such applications that provided managers with information about sales, inventories, and other data that would help in managing the enterprise.

Since computers are extensively used for the design, development and application of MIS, to an observer, computer systems and information systems may appear synonymous. But both are different. Computer systems provide only the technology (or automation) component, while successful information systems call for an understanding of organisational dynamics, processes as well as control systems in the organisations. Information systems are specific to an organisation or managerial context. In other words, they focus on solving problems specific to an enterprise. The successful MIS supports an organisations long range plans, with feedback loops that allow for the improvement of every aspect of the enterprise, including recruitment and training. MIS not only indicates how things are going but why and where performance is falling to meet the plan. These reports include near-real-time performance of cost centres and projects with detail sufficient for individual accountability.

7.4.2 Types

Most management information systems specialise in particular commercial and industrial sectors, aspects of the enterprise, or management substructure. There are

five major types of information systems that serve the needs of different levels of manager in an organisation:

- A transaction processing system is a computer based information system that records and executes the routine day to day transactions required to conduct an organisations business.
- An Office automation systems (OAS) facilitates communication throughout the organisation and increases the efficiency and productivity of managers and office workers through document and message processing. OAS may be implemented at any and all levels of management.
- Decision support systems (DSS) are computer program applications used by middle management to compile information from a wide range of sources to support problem solving and decision making.
- An executive support system is a computer based information system that supports decision making at the top levels of an organisation. It that provides quick access to summarized reports coming from all company levels and departments such as accounting, human resources and operations.
- A management information system is a system that gathers data and organises and summarises it in a form that is of value to managers.

7.4.3 Enterprise Applications

- Enterprise systems - also known as enterprise resource planning (ERP) systems - provide integrated software modules and a unified database that personnel use to plan, manage, and control core business processes across multiple locations. Modules of ERP systems may include finance, accounting, marketing, human resources, production, inventory management, and distribution.
- Supply chain management (SCM) systems enable more efficient management of the supply chain by integrating the links in a supply chain. This may include suppliers, manufacturers, wholesalers, retailers, and final customers.
- Customer relationship management (CRM) systems help businesses manage relationships with potential and current customers and business partners across marketing, sales, and service.
- Knowledge management system (KMS) helps organisations facilitate the collection, recording, organisation, retrieval, and dissemination of knowledge. This may include documents, accounting records, unrecorded procedures, practices, and skills.

7.4.4 Advantages

The following are some of the benefits that can be attained for different types of management information systems:

- Companies are able to highlight their strengths and weaknesses due to the presence of revenue reports, employees' performance record etc. The identification of these aspects can help the company improve their business processes and operations.
- Giving an overall picture of the company and acting as a communication and planning tool.
- The availability of the customer data and feedback can help the company to align their business processes according to the needs of the customers. The effective

management of customer data can help the company to perform direct marketing and promotion activities.

- Information is an important asset for any company in the modern competitive world. The consumer buying trends and behaviours can be predicted by the analysis of sales and revenue reports from each operating region of the company.

7.4.5 MIS in Public Administration in India

Information management in public administration means support activities that ensure the performance of public administration tasks and make use of the methods and means of information and communication technologies. Public administration information system means a data file or data reserve composed of information gathered for a particular purpose and stored using automatic data processing, which the user can use to produce services or perform other tasks in accordance with the purpose of the system and the information processing requirements. Some of the examples of MIS in Public administration in India are as follows:

- A web enabled MIS **www.nrega.nic.in** has been developed for the effective implementation and monitoring of the Mahatma Gandhi National Rural Employment Guarantee Act. This makes data transparent and available in the public domain to be equally accessed by all. The village level household data base has internal checks for ensuring consistency and conformity to normative processes. It includes separate pages for approximately 2.5 lakh Gram Panchayats, 6465 Blocks, 619 Districts and 34 States & UTs. The portal places complete transaction level data in public domain for example - Job cards, Demand for work and Muster rolls which is attendance cum payment sheet for worker. All critical parameters get monitored in public domain:
 - Workers' entitlement data and documents such as registration, job cards, muster rolls
 - Work selection and execution data including, shelf of approved and sanctioned works, work estimates, works under execution, measurement
 - Employment demanded and provided
 - Financial indicators such as funds available, funds used, and the disaggregated structure of fund utilizations to assess the amount paid as wages, materials and administrative expenses
- RTI Request and Appeal Management Information System (RTI-MIS) based on the Right to information Act, 2005 has been developed by National Informatics Centre, New Delhi. It includes RTI usage status, submission of RTI complaint and appeal to the Central Information Commission.
- The Government of Gujarat launched the Hospital Management Information System (HMIS) in 2006 for streamlining the day to day operations and enabling real-time monitoring of government hospitals across the state.
- In Maharashtra the State Disaster Management Action Plan (DMAP) has been prepared for its operationalisation by various departments and agencies of the Government of Maharashtra and other Non-Governmental Agencies which are expected to participate in disaster management. This plan provides for institutional arrangements, roles and responsibilities of the various agencies, interlinks in disaster management and the scope of their activities. A computer based MIS has been developed for this plan.

7.5 CONCLUSION

In the era of globalisation, liberalisation and privatisation the government organisations world over are emulating the private sector enterprises' practices to improve efficiency for better delivery of services. Increasing political pressure calling for efficiency and financial savings in state authorities and organisations forces their management to use tools and technologies which have been typical for the private sector. Together CPM and PERT rationalise the central tasks of project management – forecasting the completion date of projects while coordinating resource allocation to maximise efficiency and effectiveness. MIS is designed to acquire, store and convert data into timely, relevant information to keep managers carry out the planning, control and operational functions of organisations.

7.6 SUMMARY

- Critical Path Method (CPM), Programme Evaluation and Review Technique (PERT) and Management Information System (MIS) are important techniques by which planning and execution of complex projects have been made easier.
- CPM and PERT are network analysis techniques used in complex project plans with a large number of activities.
- CPM was developed for complex but fairly routine projects with minimal uncertainty in the project completion times. For less routine projects there is more uncertainty in the completion times, and this uncertainty limits the usefulness of the deterministic CPM model.
- An alternative to CPM is the PERT project planning model, which allows a range of durations to be specified for each activity. It was developed to meet the challenge of highly complex, first-ever, one of a kind programme.
- Information is one of the most important resources for managers. MIS is a set of interrelated components working together to provide useful information to problem solvers and decision makers in the organisations.
- MIS is based on four major components: data gathering, data entry, data transformation, and information utilisation.

7.7 REFERENCES

1. Berman, Evan M., (ed.), Encyclopaedia of Public Administration and Public Policy (Second Edition), CRC Press, 2007.
2. Project Management Institute, A Guide To The Project Management Body Of Knowledge (Fourth Edition), Project Management Institute, 2008.
3. Mantel, Samuel J. and Others, Project Management in Practice (Fourth Edition), John Wiley & Sons Inc., NJ, 2010.

7.8 UNIT END QUESTIONS

1. Discuss Critical Path Method (CPM) technique and state its limitations.
2. Explain the steps in CPM project planning.

3. Elucidate Programme Evaluation and Review Technique (PERT).
4. Explain the concept of Management Information System (MIS) and discuss its advantages.

Write notes on:

1. Types of MIS
2. Enterprise Application of MIS



SECTION II

Module V

THE INDIAN ADMINISTRATIVE SYSTEM

Unit Structure

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Historical Overview of Indian Administrative System(British Legacy)
- 8.3 Constitutional and Legal Framework (Constitutional Context)
- 8.4 Basic Features
- 8.5 Let us sum up
- 8.6 Suggested Reading
- 8.7 Question Pattern

8.0 OBJECTIVES

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

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

We will attempt to achieve following objectives in this unit.

- To understand historical linkages of Indian Bureaucracy
- To understand the constitutional and legal framework in which Indian Administrative System operates.
- To get acquainted with the salient features of Indian Administrative System.

8.1 INTRODUCTION

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

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

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

8.2 HISTORICAL OVERVIEW OF INDIAN ADMINISTRATIVE SYSTEM

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

8.2.1 Indian Administration under British Rule

8.2.1.1 Administration under East India Company

Indian Administration during British rule was entrusted to match the expectations of the colonial masters i.e. British. British were mainly interested in maintaining control over the country. In the initial period under East India Company they had limited objective to look after trade, establish contacts with Indian rulers for getting concessions, and to maintain security of their trading places and residential settlements. After Victory over Nawab of Bengal in Plassey it embarks on political conquest of the Indian subcontinent. In its last phase it attempted certain social legislation to ban certain religious, cultural practices but by and large it was focused on the business activities, exploitation of Indian market and natural resources in India, destruction of indigenous trade activities. To carry on these duties East India Company had its military personnel as well civil officials to perform civil duties including judicial functions. East India Company coined the term 'Civil Service' to distinguish officials performing civil duties from Military/armed services.

8.2.1.2 Administration under direct authority of British Crown

It is after the first war of Independence in 1857 that the Crown started direct rule in India. Since then it evolved a systemic construction of Steel Framework of Indian

Bureaucracy under colonial control. Development of Railways, Post and Telegraph, Revenue system, educational system were especially designed to serve the colonial purpose. The government was interested in the collection of taxes, maintenance of peace and law and order. In the words of Prof. Fadia "role of bureaucracy was mainly negative, i.e., it performed regulatory functions and made all efforts to crush people/s movement for independence." Following are the some of the landmark developments of this period in the course of evolution of Civil Service in India.

- Macaulay Committee Report (1854) provided the philosophical foundation for the Indian Civil Service. The Aitchison Report (1887) was instrumental to develop the basic structure of Civil Service in India. Till 1892 Civil Service in India was called 'Indian Covenanted Civil Service'. The Report renamed it as Indian Civil Service and also created provincial civil service and Subordinated Services.
- All India services constitute highest echelons of bureaucracy in British India. Officers belonging to these services were directly under the Secretary of State of India and His Council. His services were entirely protected by the Secretary of State of India. Even his salary, pension, etc. were not subjected to the vote of any Indian legislature.
- With increasing responsibilities and growing pressure of governance some new services were created. In the year 1892, the Indian Service of Engineers and the Indian Veterinary service were created. In 1897, the Indian Military Service; in 1905 Imperial Police; in 1906 the Indian Education Service and; in 1907 Indian Agricultural Service was established. According to the Lee Commission in 1924 there were eight all-India services at that time with total staff of 4,278 personnel.
- By the end of the first quarter of twentieth century amidst the development of Indian freedom movement Indianisation of the higher civil services gained momentum. Under the Government of India Act of 1919 responsible government was introduced in India. It worked as catalyst to bring changes in the political milieu of the country. Thus growing criticism of individual members of the Services by questions in the Provincial and the Central Legislatures, the 'ignominy' of working under Indian Ministers in the provinces, the Non-cooperation Movement of 1920-1922 putting the officers and their families in personal discomfort, the insufficiency of salaries due to the high level of prices prevailing in the wake of the First World War resulted in the early retirement of many British officers from the Services. Lee commission in its report recommended abolition of certain All-India services, particularly those dealing with departments that had been 'transferred' to Indian hands. These departments were Indian Educational Service, Indian Agricultural Service, Indian Veterinary Service, and the Roads and Building Branch of the Indian Service of Engineers. It further recommended retention of Indian Civil Service, Indian Police Service, Indian Forest Service, Indian Medical Service and the Irrigation Branch of the Indian Service of Engineers.

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

In order to maintain firm grip over Indians, British Government offered all kinds of favours, privileges and concessions to the public services in India, especially All India

Services. Same protection was continued to these services in the provisions of the 1919 Act, 1935 Act. Their interests were guarded by the Governor General of India. As a matter of fact, the introduction of limited responsible government in 1920 and its extension in 1937 had been marked by frequent clashes between the Indian ministers and the British officers. Protective measures for the services were continued in the Indian Independence Act of July 1947. Thus despite the protest by some members in the Constituent Assembly, the government of independent India provided in the Constitution of India the protection of the rights of the existing officers of the Indian Civil Services.

Check Your Progress

1. Motive of the East Indian Company Administration in India was
 2. British Administration in colonial India was welfare oriented. True/ False
 3. All India Services under British Crown were (Mark the right option)
 - a. Happy with Indian ministers
 - b. Received high privileges and protection
 - c. Indian freedom struggle had good rapport with civil services
-
-
-
-

8.2.2 Post Independent Indian Administration

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

8.2.2.1 Challenges on the eve of independence

Defending external boundaries

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

Combating communalism

Partition of the country on the communal line led to the problems of very serious nature. Subsequent communal riots result into the loss of thousand of lives, loss of property

and further growth of ill feelings among Hindus and Muslims. Further, exodus of millions of refugees from across the border forced the administration to prepare for their resettlement and rehabilitation. Although Indian administration finished the unprecedented task with remarkable speed and success it caused enormous strain on the financial and other resources.

Unification of the country

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

Nation Building

Large territory and diversity of region, language, culture, history, religion, caste, class etc. provided fertile land for the secessionist forces in India. The responsibility of the administration was to deal with the separatist forces within the country without developing ill feeling among the masses. This was delicate balance which was needed in the process of nation building in the country.

Advent of Welfare State

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

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

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

select men of the requisite standards in order to make good and fill up deficiency in services. The Special Recruitment Board came to an end with the inauguration of the new Constitution on January 26, 1950.

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

Check Your Progress

1. Greatest challenge before the Indian Administration after Independence was (Select odd man out)
 - a. Unity and integration of the nation
 - b. Development of the country
 - c. To make India superpower
 - d. Deliver constitutional promises
2. Immediately after independence Indian Administration felt shortage of officials due to.....

8.3 CONSTITUTIONAL AND LEGAL FRAMEWORK

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

In our Political System:

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

8.3.1 Constitutional Provisions for Civil Services in India

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

- Article 309 provide for the recruitment and conditions of service of persons serving the Union or a State administration. It empowers the Union Parliament for the Services for the Union and State legislatures; for the Services for the States, by appropriate legislation, to regulate the recruitment, and conditions of service of persons appointed for their respective affairs.
- Article 310 (1) provides the security of tenure of office of persons serving the Union or a State. It laid down that a person serving the Union or an All-India service holds office during the pleasure of the President of India. Similarly, a person serving the State civil service holds office during the pleasure of the Governor of that State.
- Article 311 (1) states that member of civil services, All India, Central and State should not be dismissed or removed by an authority subordinate to that by which he was appointed.

Article 311 (2) protect the civil servants from arbitrary dismissal, removal or demotion in rank without informing the charges against him and denial of opportunity to defend himself.

- Article 312 (1) empowers the Parliament of India to create one or more All -India services if the Council of State declared by resolution and supported by not less than two-thirds of the members present and voting that it is necessary and expedient in the national interest to do so.

Article 312 (2) further provides the constitutional basis for the Indian Administrative Service and the Indian Police Service which were existing at the commencement of the Constitution.

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

Check Your Progress

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

8.4 BASIC FEATURES

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

Shift from Colonial Policy

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

Administrative Dualism

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

All India Services

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

Recruitment to Public Services:

Since 1856 recruitment to the Indian administrative system has been made through open competitive examination with an objective to secure for the Indian Civil Service young men who had received the best, the most liberal and the most finished education. The Constitution of India has provided for the Union, State and Joint State Public Service

Commissions and has entrusted them the task of ascertaining the merit of the candidates by conducting competitive examinations and making recommendations to the Union and state Governments in the matter of recruitment to public services. Adequate provisions to ensure their independence and thereby fair recruitment are made in the Constitution of India.

Differential Recruitment Policy

While recruiting the staff for Civil Services preferential treatment is given to certain sections on the basis of social backwardness in the form of relaxation of eligibility conditions and reservation in the public employment. According to Art. 16(4) of the Indian Constitution, Centre as well as State governments are required to make provision for the reservation in appointments or posts in favour of any backward class of citizen which in the opinion of the State is not adequately represented in services under the state.

Domicile Requirements in State Services

Despite of constitutional obligation to not to discriminate persons on their place of birth many States in India follow the policy of recruiting only the domicile citizen of those States. They justify such policies on the grounds such as moral duty of a State to provide employment to its "Sons of Soil", possibility of encroachment of public employment by the persons from other states, non familiarity of the 'outsiders' with the social cultural environment of those states, and possible emotional non involvement or attachment to the people of the region.

Training

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

Dominance of Generalists

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

A Large Public Sector

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

- Undertakings run directly by the departments of executive agencies of the Government like railways, posts and telegraphs etc.
- Undertakings run by statutory corporations like L.I.C., Indian Airlines, and O.N.G.C. etc.

The public sector

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

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

Planning Commission

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

8.5 LET US SUM UP

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

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

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

8.6 SUGGESTED READING

1. Ramchandran, Padma; 1995; Public Administration in India; National Book Trust; New Delhi.
2. Arora, Ramesh; 2006; Public Administration in India: Continuity and Change; Rajat; New Delhi.

8.7 UNIT END QUESTIONS

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



Module VI

PERSONNEL ADMINISTRATION: RECRUITMENT

UNIT STRUCTURE

- 9.1 Introduction
- 9.2 The Process of Recruitment to all India and Central Services (State Services)
- 9.3 Union Public Service Commission
- 9.4 Unit End Questions

9.1 INTRODUCTION

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

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

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

- 3) To hold a post-training test of 400 marks to be conducted by the UPSC on completion of the foundation course, the purpose being to assess personal qualities and attributes relevant to the civil Services
- 4) To assign candidates to a particular service on the basis of the total marks obtained in the Main examination and the Post-Training Text at LBS Academy, taking into account the candidate's for the Services
- 5) To allow the candidates to answer all papers, except the language paper, in any language listed in the Eighth Schedule of the Constitution, or in English.

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

9.2 THE PROCESS OF RECRUITMENT TO ALL

INDIA AND CENTRAL SERVICES

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

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

9.2.1 Eligibility conditions:

Educational Qualifications

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

Nationality

- For the Indian Administrative Service and the Indian Police Service, a candidate must be a citizen of India

Age Limits

- Candidate must have attained the age of 21 years and must not have attained the age of 30 years on 1st August of the year in which examination is being held. The upper age limit may be relaxed in respect of the SC/ST and other backward classes.
- Reservation will be made for candidates belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes and physically disabled categories in respect of vacancies as may be fixed by the Government

Number of Attempts

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

Check Your Progress

1. What are the eligibility conditions for the public service?
 2. What were the suggestions of Kothari Committee?
-
-
-
-

9.2.2 Procedure of Civil Services Examinations

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

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

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

Examination Papers:

Preliminary Examination - The preliminary examination consists of two papers:

- Paper I — General Studies 150 marks
- Paper II ~ An Optional subject 300 marks

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

Both the papers will be of objective type questions (multiple choice). The question papers are set in Hindi as well as in English. The course content for the optional subjects will

be of the degree level. Each paper is of two hours duration. Blind candidates are allowed an extra time of 20 minutes for each paper.

Main Examination - It consists of the following papers:

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

The Candidate has to select any two subjects but the following combinations are not allowed

- Political Science & International Relations and Public Administration
- Commerce and Management
- Anthropology and Sociology
- Maths and Statistics
- Agriculture and Animal Husbandry and Veterinary Science
- Management and Public Administration
- Animal Husband & Veterinary Science and Medical Science
- Any two branches of engineering.

Each paper is of 3 hours duration.

Interview

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

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

Check Your Progress

1. What is the pattern of the preliminary examination?
 2. What is the pattern of the main examination?
-
-
-
-

9.3 UNION PUBLIC SERVICE COMMISSION

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

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

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

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

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

1. Recruitment to services & posts under the Union through conduct of competitive examinations;
2. Recruitment to services & posts under the Central Government by Selection through Interviews;
3. Advising on the suitability of officers for appointment on promotion as well as transfer-on-deputation;

4. Advising the Government on all matters relating to methods of Recruitment to various services and posts;
5. Disciplinary cases relating to different civil services; and
6. Miscellaneous matters relating to grant of extraordinary pensions, reimbursement of legal expenses etc.

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

Expenses of public service commissions

The expenses of the Union or a State Public Service Commission, including any salaries, allowances and pensions payable to or in respect of the members or staff of the Commission, shall be charged on the consolidated Fund of India or, as the case may be, the Consolidated Fund of the State.

Under Article 320 of the Constitution of India, the Commission are, inter-alia, required to be consulted on all matters relating to recruitment to civil services and posts.

Recruitment is made by one of the following three methods:

1. Direct Recruitment;
2. Promotion; and
3. Transfer

Direct recruitment is conducted broadly under the following two methods:

1. Recruitment by competitive examination.
2. Recruitment by selection through interview.

Recruitment by competitive examination

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

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

Recruitment by selection

Recruitment by Selection is made by the following methods:

1. by Interview Only
2. by Recruitment Test Followed By Interview

By interview only

Where the number of applicants is very large, it is not practicable to call for Interview all the applicants who fulfill the minimum eligibility conditions prescribed. The Commission, therefore, shortlist the candidates to be called for the interview on the basis of certain pre-determined criteria related to the job. A large number of recruitment cases are handled by the Commission by the method (1) above.

By written test followed by interview

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

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

Appointment by Promotion and Transfer on Deputation / Transfer

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

Extension of functions to local bodies etc

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

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

Assessment of the working of UPSC

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

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

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

- The UPSC is not consulted in regard to selection of appointments of the
 - Posts of higher diplomatic nature
 - Membership or chairmanship of Tribunals or Commissions
 - Posts in the Secretariat of the Lok Sabha and the Rajya Sabha.
 - All technical and advisory posts in or under the Atomic Energy Commission
 - Judicial Commissioners and Additional Judicial Commissioners, District Judges and Additional District Judges in Union Territories.
- Further, UPSC is set aside by the government by resorting to some devices such as making of ad-hoc appointments for a temporary period, without consulting the Commission
- The recommendations of UPSC are only advisory in nature. The government is at liberty to accept or reject the advice given by the UPSC which reduces its effectiveness.
- The method of recruitment employed by the Commission also has come under the criticism. The procedure of recruitment is quite lengthy and the recruitment takes a long period of time. The interview test has been criticized as being weighted in favor of the Urban English medium school products and is discriminative against candidates having rural background.

9.4 UNIT END QUESTIONS

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



TRAINING – ALL INDIA SERVICES

Unit Structure

- 10.1 The Training
- 10.2 Lal Bahadur Shastri National Academy
- 10.3 Corruption
- 10.4 Integrity
- 10.5 Central Vigilance Commission
- 10.6 Lets us sum up
- 10.7 Suggested Reading
- 10.8 Unit End Questions

10.1 THE TRAINING

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

10.1.2 Training in India

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

To Understand-

- The Theoretical principles underlying the political process and national goals through the study of prescribed subjects:
- Basic political Concepts
- Constitution of India.
- Basic Economic Principles and
- General administrative Knowledge.

10.1.3 Training programme

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

10.1.4 Foundation training - objectives

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

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

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

- A short period in the state-secretariat;
- Work in collector's office;
- Work in treasury;
- Acquaintance with settlement and land records;
- Work in district office and inspection of police station;

- Work in development departments such as agriculture, cooperation, irrigation;
- Work in sub-divisional office;
- Magisterial and other judicial duties.

After completing the practical training at the state, the IAS probationers are brought back to the academy for the Second spell of training for 3 months duration. At this stage the probationers are not in a frame of mind to receive further theoretical training and usually evince great keenness in seeking answers to the problems faced by them in the course of the practical experience gained in the districts. The emphasis is therefore on the discussion of administrative problems. Thus the training is problem oriented.

At the end of this training the probationers appear at final examination conducted by UPSC. On the successful completion of the training he is given charge of a sub division. In order to widen his experience, the probationer is transferred from district to district. After 6 to 7 years of service he is assigned independent charge of a district.

10.2 LAL BHADUR SHASTRI NATIONAL ACADEMY OF ADMINISTRATION

10.2.1 Organisation

The responsibility of administration of the Academy is entrusted to the Director of the rank of a Secretary/Additional Secretary to the Government of India. He is assisted by a Joint Director, of the rank of a Joint Secretary to the Government of India and three Senior and three Junior Deputy Directors, of the rank of Deputy Secretary to the Government of India.

These senior officials are posted to the Academy usually for a period of 3 years. The Directing Staff is responsible for

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

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

10.2.2 Role and Functions

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

- To provide professional training to IAS probationers for one year including the foundational training. The one year training is in two phases of 9 months and 3 months duration + one year are practical training in the district of their states of allotment.
- To organize refresher courses for IAS officers of 6-10 years seniority.
- To conduct an Advanced Management Development Course for officers of the All India and Central Services of 11-16 years seniority.
- To organize an intermediate course for the state civil service officers officiating for at least 2 years on IAS cadre or equivalent posts of the state. And also directly recruited IAS officers of 6-10 years seniority to give them an All India background and outlook
- To conduct seminars and conferences of officers of senior level of government and to create a forum for a change of administrative ideas and experience.
- To conduct field studies in PA and to publish teaching materials for training officers in the disciplines, relevant for training in public administration.
- To publish articles, research papers, syndicate group reports, book reviews, notes and comments on various aspects of PA through the Academy Journal

Check Your Progress

1. What are the objectives of training?
2. Explain the importance of foundation training
3. What is meant by “on job” training? Training – State services

10.3 CORRUPTION

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

10.3.1 Forms of Corruption

The report of the Santhanam Committee identifies following forms of corruption:

Securing pecuniary benefits

The Committee felt that the most common form of corruption was

Securing some kind of pecuniary or other material advantages directly or indirectly for oneself or family or relatives or friends by misusing one's official position.

Another widespread form of corruption is "speed money"

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

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

1. Donations by rich individuals and big companies to the political parties are a very important and widespread form of corruption. Since the major beneficiary is the ruling party, it influences the administrators in passing on some undue benefits to the donors.
2. Sometimes the private companies offer jobs to retired officials. This may lead to corruption in as much as an officer may bestow undue favour to the company in the expectation of future employment. To some extent a remedy has been provided for this by prohibiting the government servants and their family members from taking up private employment within two years of their retirement.
3. In all contracts of construction, purchases, sales and other regular business on behalf of the Government, there is a chance of money being passed on to the Government officers for showing some favours in relaxing the specifications, etc.
4. Sometimes the corruption operates at lower levels also when money is demanded for helping a person in his service matters like promotions, transfers etc.
5. At times, the performance evaluation of an honest officer is distorted for not meeting the pecuniary demands of the superior officers. The resulting damage to the moral of honest officers can be well-imagined.
6. Then there are some minor forms of corruption like availing of the facilities of private guest houses, lavish expenditure during the tours of Ministers and senior officers, etc. No list of mode of corruption can ever be complete. The methods listed above give only a small sample. A dishonest officer can discover methods of corruption in almost any situation.

10.3.2 Harmful effects of Corruption

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

- i) Corruption in high places reduces the faith of the people in the Government. The people expect high standards of morality from their rulers. When these standards are not met, it may result in the alienation of people from the Government.
- ii) Corruption increases the effective cost of administration. The people who are in any case paying to the Government for its services in the form of taxes are unofficially required to pay more to its officers.
- iii) The widespread corruption in the bureaucracy causes cynicism and social disunity. This may reduce the willingness of the people to make sacrifices for the economic development of the society.
- iv) Corruption comes in the way of making decision on merits. When the decisions are made on the basis of pecuniary benefits to be obtained from the transactions, the merit naturally gets the second place. There is even a possibility of sacrificing the national interest for the sake of these benefits. This may for example, happen in case of purchase of sub-standard arms, which may not be effective during a battle.
- v) Corruption has a very adverse effect on the morale of the honest officers. In fact, it militates against the very basis of the principles of a pure bureaucracy. When the evaluation of work, placement and promotion are dependent on consideration other than merit, the whole system may be vulgarized and demoralized. Corruption has often resulted in a tremendous waste of national resources. For example, purchased goods not used for years result in the depreciation of goods as well as increase in inventory cost.

Check Your Progress

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

10.4 CAUSES OF THE DECLINE OF INTEGRITY

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

Historical Causes

- a) The colonial Government paid their own senior officers handsomely. The local officers, working mainly at lower levels, were paid very poor salaries. This definitely affected their integrity.
- b) During World War II, there was scarcity of goods; even articles of common consumption like food, clothing etc. were available on ration cards. All these controls provided opportunities for corruption. The climate for integrity which had been rendered unhealthy by war time control and scarcity was further aggravated by the post-war flush of money and inflation. The salaries of the employees did not keep pace with inflation. The increasing economic activity with excessive Government controls created the climate for corruption on a large scale.

Post-independence Problems

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

Environmental Causes

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

Economic causes

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

Lack of Strong Public Opinion against Corruption

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

Corrupting influence of big industrial magnates

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

Complicated and Cumbersome Procedure

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

Existence of influence peddlers

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

Inadequate Provisions and Enforcement of the Law

The Indian Penal Code and Prevention of Corruption Act do not provide adequate framework for punishing the guilty officers. Moreover, the administration of these laws leaves much to be desired. Not many prosecutions are launched. Out of the prosecutions launched not many are

Pursued vigorously. The result is that a number of guilty persons do not get punished.

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

The constitution of our country as well as the disciplinary procedures etc., make it almost impossible to take action against corrupt employees. Naturally, there is nothing to deter them from following corrupt practices with a vengeance if they are so inclined.

10.5 CENTRAL VIGILANCE COMMISSION

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

Commission was given statutory status and performs the functions assigned to it in terms of Government of India's Resolution dated 11.02.1964, which are as under:

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

In addition to the above functions, the Central Vigilance Commission was empowered, under the CVC's Ordinance to:-

- Exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE) insofar it relates to investigation of offences alleged to have been committed under the Prevention of Corruption Act, 1988;
- Review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the PC Act;

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

10.5.2 Organization

The Commission was accorded statutory status through an Ordinance dated 25.08.1998, The Ordinance envisaged the Commission to be a multi-member Commission,

consisting of the Central Vigilance Commissioner (Chairman) and not more than four Vigilance Commissioners as its members. The appointments of the CVC and the VCs were to be made by the President by warrant under his hand and seal on the recommendations of a committee consisting of (i) The Prime Minister, (ii) The Minister of Home Affairs and (iii) Leader of the Opposition in the House of People.

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

Check Your Progress

1. What are the forms of corruption?
2. What are the effects of corruption?
3. What are the causes of corruption?

10.6 LETS US SUM UP

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

10.7 SUGGESTED READING

- Public administration in theory and practice - M.P. Sharma and B.L. Sadan
- Public administration - Mohit Bhattacharya
- Modern public administration - Nigro and Nigro

- Personal Administration - Public personal administration - O. Glennstal
- Central administration in India: Central administration - A. Avasthi
- Civil Services in India: Indian administration - S.R. Maheshwari, State
- IGNOU Study Materials
- IJPA articles on relevant topics
- Current News Papers

10.8 UNIT END QUESTIONS

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



Module VII**FINANCIAL ADMINISTRATION AND
ACCOUNTABILITY****Unit Structure**

- 11.0 Objective
- 11.1 Introduction
- 11.2 What is Budget?
- 11.3 Importance or purpose of Budget.
- 11.4 Budgetary process
- 11.5 Preparation of the Budget in India.
- 11.6 Enactment of Budget in India.
- 11.7 Execution of Budget.
- 11.8 Creation of Financial Branch.
- 11.9 Unit end Questions

11.0 OBJECTIVE

To understand Budgetary process in India.

11.1 INTRODUCTION

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

11.2 WHAT IS BUDGET?

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

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

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

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

Taylor says, “Budget is a financial plan of government for a definite period.”

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

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

11.3 IMPORTANCE OR PURPOSE OF BUDGET

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

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

11.4 BUDGETARY PROCESS

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

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

11.5 PREPARATION OF THE BUDGET IN INDIA

11.5.1 Which agency makes the Budget?

The responsibility for framing the budget in India is entrusted to the President of India. Under Article 112 of the Indian constitution, the President shall cause to lay before both the Houses of parliament every financial year a statement of the estimate receipts and expenditure of the Government of India for the year.

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

11.5.2 Stages:

The Preparation of budget takes place in the following stages:-

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

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

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

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

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

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

- 5) **Estimating the Revenue:** The work of estimating the revenue is the responsibility of the Finance Ministry. The Ministry compares the figures of income and expenditure with previous year's figures and proposes changes in the existing rates if necessary. At this stage the Budget Division in the Ministry of Finance prepares an estimate projection of revenue and expenditure of the Government of India for the ensuing year. On the basis of the estimated expenditure and proposals regarding fresh taxes the 'Draft Budget' is prepared by the end of December.
- 6) **The final consideration of the consolidated estimates by the cabinet:** The draft budget is examined by the Finance Minister in January. He consults the Prime Minister and prepares his financial policy.

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

11.5.3 Conclusion:

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

11.6 ENACTMENT OF THE BUDGET

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

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

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

Consideration

The Stages in the enactment of the budget are as follows: These stages are five -

1. Presenting the Budget.
2. General discussion.
3. Voting of Demands for Grants.
4. Consideration and passing of Appropriation Bill.
5. Consideration and passing of Finance Bill.

1. Presenting the Budget

The President of India convenes the Budget session of the parliament, usually in the month of February. The Budget session commences with the President's address and followed by the presentation of the Budget.

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

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

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

2. General discussion on Budget

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

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

3. Voting of Demands for Grants.

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

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

4. Consideration and passing of Appropriation Bill.

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

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

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

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

5. Consideration and passing of Finance Bill

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

Conclusion

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

11.7 EXECUTION OF THE BUDGET

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

Control of the Finance Ministry

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

11.8 CREATION OF FINANCIAL BRANCH

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

Accounting

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

11.9 UNIT END QUESTIONS

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



FINANCIAL ACCOUNTABILITY: PARLIAMENTARY COMMITTEES

Unit Structure

- 12.1 Introduction
- 12.2 Nature of Financial Accountability
- 12.3 Means of ensuring Financial Accountability
 - 12.3.1 Estimate Committee
 - 12.3.2 Public Accounts Committee
 - 12.3.3 Committee on Public Undertakings
 - 12.3.4 Evolution
 - 12.3.5 Audit as a means of Financial Control
- 12.4 The Comptroller and Auditor – General of India
- 12.5 Unit End Questions

12.1 INTRODUCTION

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

Unsound financial administration blasts the prospects of democracy. The unprecedented increase in governmental expenditure in modern times makes it absolutely necessary, that sound principles, tools and techniques of financial administration are evolved and employed by all governments. The American people had raised the banner of revolt when the British parliament imposed unjust taxes without consulting the representatives of the native population by giving slogan.” No taxation without representation,”? Since that time the principle of accountability of the government, to those from whom the taxes collected, has been firmly established. This financial control is also described as ‘financial accountability’ of the government to the people and is ensured through their elected

representatives.

12.2 NATURE OF FINANCIAL ACCOUNTABILITY

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

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

- a) No tax can be levied or collected except by authority of law:
- b) No expenditure can be incurred from public funds except in the manner provided in the Constitution, and in accordance with law, i.e., unless it has been Sanctioned by Parliament.
- c) The executive is bound to spend money in the manner as sanctioned by Parliament. This control is exercised through the Comptroller and Auditor-General.

12.3 MEANS OF ENSURING FINANCIAL ACCOUNTABILITY

The principal means of ensuring financial accountability of the government is the budgetary control. It is the basis of efficient fiscal management.

Effective control of the Parliament over the governmental expenditure requires that the Parliament should satisfy itself that the appropriations have been utilised economically for the approved purposes within the framework of the grants. It should undertake a detailed examination of the annual budget estimates of the government to suggest possible economies in the implementation of the plans and programmes embodied therein. Both these functions are importance in making the parliamentary control over governmental expenditure complete. The Parliament does not have time to exercise these functions, therefore, the Parliament constitutes its committees and entrusts them these functions. Parliamentary committees in India are the Estimates Committee, the Public Accounts Committee and Committee on Public Undertakings.

A brief account of these committees is given below:

12.3.1 Estimates Committee

The establishment of the Estimate Committee was urged in 1937. The Estimates Committee was, however, created in April 1950. The Estimates Committee is a standing committee of the Parliament and is set up every year. Its functions, method of appointment and other

relevant provisions are laid down in the Rules 310 to 312 of Procedure and conduct of Business in the Lok Sabha.

1. Composition

The Estimates Committee consists of 30 members of the Lok Sabha, who are selected by the method of proportional representation by means of a single transferable vote. The political parties secure representation proportional to their numerical strength in the Lok Sabha. The Chairman of the committee is nominated by the Speaker. If the Deputy Speaker is member of the Committee, he automatically becomes the chairman of the Committee. No Minister can be appointed in this Committee.

Functions: The Estimates Committee has been entrusted with the following functions:

- a) To report, what economies, improvements in organisation, efficiency and administrative reforms, consistent with the policy underlying the estimates, may be affected.
- b) To suggest alternative policies in order to bring about efficiency and economy in administration.
- c) To examine whether the money is well laid down within the limits of the policy implied in the estimates;
- d) To suggest the form in which the estimates shall be presented to Parliament.

In short it examines the estimates included in the budget and suggests economies in public expenditure.

2. Procedure

The tenure of members is one year but the continuity of the Committee is constituted sometime in the month of June and it starts working from July. It prepares its plan work for the year by selecting such of the estimates as may seem fit to it. The office of the Committee collects the relevant material. The papers are put before the Committee for preliminary scrutiny and further information, if needed, is collected. It may constitute sub committees. The sub-committees issue questionnaires to the ministries concerned for furnishing full and complete answers to the points raised. These are examined by the Committee or its sub-committee. Thereafter, the examination of the departmental offices takes place. The Committee has power to send for papers, persons, and records whenever necessary. Study-groups are appointed to undertake on the spot study of the projects under examination. Having completed the examination of the witnesses the Committee formulates its recommendations. Nothing finds place in the report unless it has been discussed with the Minister concerned. Further, a copy of the report is sent to the ministry in advance for verification of facts contained therein. The report which is in the form of recommendations is then submitted to the Lok Sabha. There is no regular debate on the report. The members, however, may refer to the report during the discussion on the budget and the demands for grants.

3. Significance

Estimates Committee performs useful work. A majority of the recommendations of the Committee are accepted by the Government. The ultimate success of Committee rests on

the long-term thinking and planning. This, in turn, demands that the Committee makes constructive and foresighted suggestions.

The responsibilities of Committee are increasing in view of a continuous increase in Government activities.

The Estimates Committee performs an undoubtedly useful role in the Indian administrative system. It keeps the machinery of public administration under parliamentary serenity. By highlighting the shortcomings and mistakes of public organisations, it acts as a kind of standing committee on Administrative improvement. This role is quite significant, for most of the recommendations made by it are generally accepted by the Government. Secondly, the fear of possible exposure by this Committee's work is, no doubt, in the nature of a post-mortem but in the process its arms do reach the evil-doers and their names and deeds are publicised. This has a deterrent effect. Thirdly, the Estimates Committee publishes its reports and the wide publicity given to its findings and recommendations influences and shapes public opinion. A democratic government is always responsive to adverse reaction of the public opinion.

12.3.2 Public Accounts Committee

Parliament's authority over voting money for specific purposes is meaningless unless it has power to ascertain that the money voted by Parliament is utilised by the executive for the purposes for which it was voted. This is secured by subjecting the public accounts to audit by an independent authority, the Comptroller and Auditor General, and examination of his report by the Public Accounts Committee.

1. Composition

After the enactment of the Constitution in 1950 the Public Accounts Committee consisted of fifteen members of the Lok Sabha. In 1953, the number was increased to twenty two by giving representation to the Rajya Sabha. The inclusion of the members of the Upper House in the Committee marks a departure from the British practice, wherein the Public Accounts Committee contains no member from the House of Lords.

The Public Accounts Committee is annually elected by the Parliament, by means of proportional representation by single transferable vote. The principal political parties are given representation on the Committee in proportion to their strength in Parliament. The Chairman of the Committee generally belongs to the ruling party, although at times members from the opposition parties in the Lok Sabha have also been elected to this office.

2. Functions

The functions of the Public Accounts Committee are as follows

- a) The Committee is to satisfy that the money shown in the account as having been disbursed was legally made available for and applicable to the service or purposes to which they have been applied or charged.
- b) The Committee is to satisfy that the expenditure conforms to the authority which governs it.
- c) The Committee is to satisfy that every re-appropriation has been made in accordance

with the provision made in this behalf under rules framed by competent authority.

- d) It shall be the duty of the Public Accounts Committee to examine in the light of the report of the Comptroller and Auditor General, the statement of accounts showing the income and expenditure of State corporations, trading and manufacturing schemes and profit projects, together with the balance sheet and statements of profit and loss accounts.
- e) It shall be the duty of the Committee to examine the statement of account showing the income and expenditure of autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General of India either under the direction of the President or by a statute of the Parliament.
- f) To consider the report of the Comptroller and Auditor General in cases where the President may have required him to conduct an audit of any receipt or to examine account of stores, land stocks.

The main function of the committee is to examine the annual report of the controller and Auditor General of India.

3. Procedure

The Committee performs these functions on the basis of the Report of the Comptroller and Auditor General. Report is taken up ministry-wise, and the secretaries are required to appear as witness to explain the points raised pertaining to their department by the audit. It has at its disposal the service of the Comptroller and Auditor General who suggests the lines on which the Committee should conduct the examination. He suggests the questions which need clarification from the official witnesses. The relationship between the Comptroller and Auditor General and the Committee is close and intimate. He is 'guide, philosopher and friend of the committee.

The findings of the Committee are submitted to Parliament in the form of a report. The Committee makes recommendations to the Government in anticipation to the final report, which is placed before the House, A convention has evolved that the recommendations of the Committee are accepted by the government. If, however, the Government feels that a particular recommendation is not acceptable to it on certain grounds, it requests a reconsideration of the recommendation.

4. Significance

The significance attached to the working of the Committee varies from critics to critics. They point out that the Public Accounts Committee relates to transactions completed and to damage done. It conducts a post mortem examination of the public accounts. The Committee's findings are nevertheless, of value as guidance and warning.

It would be appropriate to remember that the Public Accounts Committee is not an executive body. It is not vested with any executive power and its function is limited to serenity of the public expenditure. It is to be hoped that the Committee will emerge as an effective force in the control of public expenditure. But the value of the Public Accounts Committee's deliberations is limited.

12.3.3 Committee on Public Undertakings

The concept of accountability of public undertakings to government leads to parliamentary control over their functioning. The Committee on Public Undertaking was constituted on 1st May, 1964 by the Union Parliament entrusted with responsibility to examine the working of public undertakings in our country.

1. Composition

The Parliament adopted a motion in 1963 to set up Committee on Public Undertakings from 1st May, 1964 to examine the financial and other aspects of working of the public enterprises. The Committee consists of 15 members - 10 from Lok Sabha and 5 from the Rajya Sabha. The tenure of the members of the Committee was five years and one-fifth of the members who have the longest term in the Committee would retire every year.

2. Function

The Parliamentary motion of 1963 had entrusted the Committee following functions:

- a) To examine the reports and accounts of the Public Undertakings;
- b) To examine the reports, if any, of the Comptroller and Auditor General on the Public Undertakings;
- c) To examine, in the context of the autonomy and efficiency of the Public Undertakings, whether the affairs of these undertakings are being managed in accordance with sound business principles and prudent commercial practices;
- d) Such other functions vested in the Public Accounts Committee and the Estimates Committee in relation to the public undertakings as may be allotted to Committee by the Speaker from time to time.

The limitations on the functions of the Committee were prescribed. It is not competent to deal with the following matters.

- a) Matters, of major government policy as distinct from business or commercial functions of the government;
- b) Matters of a day-to-day administration;
- c) Matters, for the consideration of which machinery established by any special statute under which particular public undertaking is established.
- d) The Committee cannot discuss the pricing policy of undertaking or its labour-management relations.

3. Jurisdiction

The motion of 1962 provided that the following public undertakings shall come under the jurisdiction of the committee:

1. Damodar Valley Corporation;

2. Industrial Finance Corporation;
3. Indian Airlines Corporation;
4. Air-India International;
5. Central Warehousing Corporation;
6. Life Insurance Corporation;
7. Oil and Natural Gas Commission
8. Hindustan Aeronautics Ltd.
9. Bharat Heavy Electricals Ltd.
10. Mazgaon Dock, Bombay;
11. Garden Research Workshop, Calcutta;
12. All government Companies.

All the new undertakings setup under Company's Act in future will automatically come within the purview of this committee.

4. Functioning of the Committee

The following important Conventions in the functioning of the Public Accounts Committee have been developed in course of the functioning of the committee for over three decades. Some of these conventions are as under:

- a) Irrespective of party affiliations of its members, the Committee functions as a single team;
- b) The reports of the Committee have been always unanimous;
- c) The reports of the Committee are not discussed in the House. The departments concerned of the government are required to intimate the Committee regarding the action taken on the Committee's recommendations;
- d) Government department make available to the Committee all the information and documents pertaining to the subject matter under discussion and
- e) For the cases requiring a detailed examination, the Committee usually appoints a Sub-Committee with specific terms of reference.

12.3.4 Evaluation

During 30 years since its inception, the Committee produced a very large number of reports and recommendations and justified its existence. In first two years, the period of the Third Lok Sabha, the Committee submitted 40 reports. It submitted 70 reports covering the period of the Fourth Lok Sabha. The Committee tries to cover maximum number of undertakings in a record period of time. Avasthi and Maheshwari have observed that "The Committee is doing a useful job and has forever put to rest the varied fears

expressed by the critics. It is a fact finding Committee, its function, essentially, is to help Parliament to have a more effective annual debate on the working of the Public Undertakings.” The Committee has great value in improving the performance and the profitability of the public enterprises. S. P. Mathur has observed that “In its tone, temper and manner of working the Committee functions like the Estimates and the Public Accounts Committee. The Reports of the Committee cover almost every aspect of the working of undertakings right from the history of the undertakings to their aims, objects, administration of stock, lack of inventory control and many other matters of general interest.” Mathur has further observed that “the reports of the Committee have an educative value in as much as these reports educate the public, and in particular, inform public which takes an interest in the working of the government. The reports also educate the members of the Parliament who do not have firsthand knowledge of how undertakings are run. The reports of the Committee have improved the quality of debates in the Parliament, and the main facts and problems of the enterprises are presented before the public in a neat readable manner... party political controversies are non-existent and the reports are unanimous. “However, it is unfortunate that in a number of cases, the government does not attach any importance to recommendation of the Committee and have not been accepted by the government, and if accepted, have not been fully implemented.

12.4 THE COMPTROLLER AND AUDITOR-GENERAL

12.4.1 Audit As A Means Of Financial Control.

Audit is a recent development in the science of public Administration. It is an indispensable part of the parliamentary control over public finance. Audit is defined as “an examination and verification of the accounts after transactions are completed, in order to discover and report to the legislative body any unauthorised, legal, or irregular expenditure, any financial practices that are unsound, and to find out whether the administration has faithfully discharged its responsibility. The audit is an aspect of external control over administration and seeks to enforce the accountability of administration. It is the provision of an independent examination of all financial transactions. The Comptroller General of the United States, has observed that “One of the important objectives of the audit... is to fix; the accountability of the officers of the Government... for any illegal, improper, or incorrect payments made resulting from any, inaccurate or misleading certificate made by them as well as for any payment prohibited by law which did not represent a legal obligations under the appropriation of the fund involved.”

Britain was the first country to evolve an audit of public accounts in order to ascertain whether the behests of the Parliament were complied with or not. The Auditor was dependent of the executive and reported direct to the parliament. These provisions were embodied in the Exchequer and Audit Department Act of 1866. The powers of the Comptroller and Auditor General were considerably widened by the Exchequer and Audit Act, 1921. In the United States, independent audit emerged with the inauguration of the Budget and Accounts Act of 1921. In India, with the commencement of the Constitution in 1950, the office of the Comptroller and Auditor General of India was provided in the Constitution itself. The designation implies control over issues from the public treasury, hitherto non-existent in the financial administration of India. Financial administration, whether of the States or of Union comes under the undivided authority of the Comptroller and Auditor General of India.

Accounting and Auditing

In India the twin functions of maintenance of accounts and their audit were combined in the same hands until 1976. The Comptroller and Auditor-General was entrusted with both sets of functions.

In 1973, the Government of India decided to separate accounting from the audit. In 1976, the Comptroller and Auditor-General of India was relieved of the responsibility of compiling of accounts of the Union Government and is only concerned with the audit of accounts.

This separation of accounts from audit was completed in three phases, effective from 1st April, 1976 (covering some Ministries of the Central Government), 1st July, 1976 (covering nine more Ministries) and 1st October, 1976 (covering the remaining Ministries). As a result, there is now departmentalisation of accounts in the Central Government and the administrative departments have assumed full responsibility for making payments and their accounting. Certain public sector banks have now been entrusted with the work of handling receipts and payments for the different ministries and departments. This work was being done, until 1976, through the Government Treasuries. Under the new system, the payment functions have been taken over by the Ministries themselves and are discharged by their own Pay and Accounts Officers. Hitherto, only the Reserve Bank of India and the Branches of the State Bank of India and its subsidiaries were authorised to handle cash transactions of the Government. Apart from putting a heavy burden on the Reserve bank of India and the State Bank of India, the old system caused great deal of inconvenience to all those who had transactions with the Government.

Several advantages have been claimed for the scheme of separating accounts from the audit. These are as follows:

- a) The departmentalization of accounts will enable the Ministries to watch the flow of expenditure regularly and take effective corrective action wherever necessary.
- b) It will facilitate the settlement of all claims directly by the departments by issuing cheques to the parties concerned.
- c) The large variations from the budget allocation, which were very common till 1976, will disappear under the new system of separation.
- d) It will also help in proper maintenance of Provident Fund accounts and prompt settlement of claims of the employees.
- e) It will speed up the compilation of accounts of individual departments, The Accounts of the Ministries and departments are to be compiled, under the new system, within 25 days after the close of the month. Such an accounting pattern is different from the system in vogue until 1976. Prior to 1976, the details of the expenditure incurred by various departments were forwarded by the Treasuries to Accountant General. These were consolidated by the Accountant General, Central Revenues. This used to result in delays in the compilation of accounts.

Consequent upon the separation of accounts from the audit the Comptroller General

has been appointed in the Central Government to be the technical authority heading the new accounting set-up. He is in charge of the final compilation of accounts.

12.4.2 The Comptroller and Auditor-General of India

The Comptroller and Auditor General of India is appointed by the President by warrant under his hand and seal. He can be removed from office in like manner and on the like grounds as a judge of the Supreme Court. To enable him to perform his functions with independence and fearlessness, he is not given any redeployment under the State after his retirement. The salary, allowances and pension of the Comptroller and Auditor-General are not subject to the vote of Parliament. These are charged on the Consolidated Fund of India. These cannot be varied to his disadvantage after his appointment. The Constitution does not precisely define the terms and conditions of his service as well as his duties and powers. The Constitution leaves it for the parliament to define the same. Article 148 (3) provides that "The salary and other condition of service of the Comptroller and Auditor General shall be such as may be determined by Parliament by law and until they are so determined, shall be as specified in the Schedule." It further provides that "He shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States as were conferred on or exercisable by the Auditor-General of India immediately before the commencement of this Constitution in relation to the accounts of the Dominion of India and of the provinces respectively."

In 1953, the- Parliament passed an Act to define the tenure and conditions of service of the Comptroller and Auditor-General, He has been given a six year tenure without any age restrictions, He is paid the salary of the judges of the Supreme Court. His duties and powers are governed by the Government of India Audit and Accounts Order, 1926, as adopted by the India (Provisional Constitution) Order, 1946. The undefined nature of his powers and functions makes room for ambiguity and even confusion. This ambiguity led to a controversy between the Auditor-General and the Defence Minister. It is criticised that the Auditor-General often exceeds his jurisdiction. The Constitution did not define his powers and functions, nor has the Parliament rectified this omission by statute prescribing the framework within which he is to function. It is desirable that the Parliament should specify the role and functions of the Comptroller and Auditor-General.

Functions of the Comptroller and Auditor General

Until 1976, the duties and powers of the Comptroller and Auditor General embraced both the 'auditing and accounting of all financial transactions of the Governments. Since 1976, he has been relieved of his responsibilities in regard to the compilation and maintenance of accounts. He audits all expenditures from the revenues of the Central Government or State Governments in and outside India and, ascertains whether legally available for and applicable to the service or the purpose to which they have been applicable and whether the expenditure conforms to the authority which governs it. A broader and newer concept regarding the role of the Comptroller and Auditor-General has led to the greater attention to efficiency and to the development of discretionary audit directed towards discovering wastes and of matters beyond accounting, which though intra-vires, are apparently unwise or extravagant.

Audit has a statutory as well as discretionary basis. In addition, it upholds the Constitution and the laws in the sphere of financial administration. The Comptroller and

Auditor-General examines sanctions given by competent authorities in order to find out that whether they are proper and utilised for the realisation of the purpose for which the sanctions have been given. His responsibilities in regard to the audit of receipts are limited, and need to be developed. The receipts from income-tax, wealth-tax, expenditure-tax, estate duty, and excise and land revenue are excluded from the scope of his audit. The income-tax receipts are now being progressively brought under his purview.

The Comptroller and Auditor-General is, thus, engaged in the scrutiny of the financial affairs of the executive and submits his report to the Parliament to which alone he is responsible. In the case of the States, the report is laid before the State legislatures.

Thus he is head of the Indian Audit and Accounts departments. He is the guardian of the public purse and controls the entire financial system of the country at both the levels.

12.5 UNIT END QUESTIONS

- 1) How is the financial accountability ensured in India?
- 2) What is audit control? How is it ensured in India?
- 3) Write short-notes on-
 - a) Estimates Committee
 - b) Public Accounts Committee
 - c) Committee on Public Enterprises
 - d) Controller and Auditor-General of India.



ETHICS AND ACCOUNTABILITY IN GOVERNMENT

Unit Structure

- 13.1 Introduction
- 13.2 Ethics In Public Administration
- 13.3 The Legislative control over public administration
- 13.4 Unit End Questions

13.1 INTRODUCTION

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

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

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

The manipulation and lack of ethics in administration not only reduces the effectiveness but also has several negative effects for the society as a whole. It leads to poor administration and mismanagement of human and material resources. Several rules, regulations and laws exist to ensure impartiality, honesty and devotion among the public

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

13.2 ETHICS IN PUBLIC ADMINISTRATION

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

1. The public servants should put the public interest above the self interest and subordinate institutional loyalties to the public good. They are committed to exercise discretionary authority to promote the public interest. Accordingly they should oppose all forms of discrimination and harassment, and promote affirmative action. They should recognize and support the public's right to know the public's business and involve citizens in policy decision-making. The public servants should encourage the people to participate actively in the affairs of the government.
2. It is the duty of the public servants to respect the Constitution and the Law that define responsibilities of public agencies, employees, and all citizens and promote constitutional principles of equality, fairness, representativeness, responsiveness and due process in protecting citizens' rights. They should understand and apply legislation and regulations relevant to their professional role and eliminate unlawful discrimination. It is also expected that they should work to improve and change laws and policies that are counterproductive or obsolete. It is their responsibility to prevent all forms of mismanagement of public funds by establishing and maintaining strong fiscal and management controls, and by supporting audits and investigative activities.
3. The public servants are committed to perform their duties honestly and should not compromise them for advancement, honor, or personal gain. They should conduct official acts without favoritism and ensure that others receive credit for their work and contributions.
4. The public officials should make every effort to strengthen organizational capabilities to apply ethics, efficiency and effectiveness in serving the public. For the purpose the organizations should adopt distribute, and periodically review a code of ethics as a living document. They should work to enhance organizational capacity for open communication, creativity, and dedication. The organization should establish procedures that promote ethical behavior and hold individuals and organizations accountable for their conduct. The organizational accountability can be 'ensured through appropriate controls and procedures. The organization also should promote merit principles that protect against arbitrary and capricious actions.

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

Accountability of Public Administration

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

Check Your Progress

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

13.3 THE LEGISLATIVE CONTROL OVER ADMINISTRATION

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

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

13.3.1 The means of legislative control

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

The President's Speech

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

Discussion on Budget

The parliament every year sanctions the funds for the expenditure of the executive. After the budget is presented by the Finance Minister in the Parliament the general discussion on the budget takes place. In the process of enactment of the budget every department puts forth the demands for grants and for the approval of the Parliament. At this stage the members of Parliament get the opportunity to discuss and evaluate the affairs of the administration of various departments. The members of the opposition can also move cut motions to express their displeasure with the working of the administration at this stage. Thus the discussion on the finance bill provides the members of Parliament an opportunity to discuss the entire administration.

Question Hour

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

Adjournment Motions

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

Censure Motion

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

Debates on the legislation

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

Parliamentary committees

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

Audit

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

13.3.2 Limitations of Legislative Control

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

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

- Members of the Parliament often do not possess the required technical knowledge of the various departments and therefore cannot effectively criticize the working of the department and their demands for grants.
- In the parliamentary form of government the administrative officials are not directly responsible to the legislature. They cannot be called before the House to give explanation of their official acts. Though they can be called by the Committees of Parliament they are not obliged to answer personal criticism. It is the Minister who shoulders the responsibility for the administrative acts of his department. Administrators thus are only indirectly responsible to the legislature.

13.4 UNIT END QUESTIONS

1. What is meant by legislative control over public administration?
2. What are the means of legislative control?
3. What are the limitations of legislative control?



Module – VIII**CHALLENGES TO INDIAN ADMINISTRATION AND
REMEDIES****Unit Structure**

- 14.0 Objectives
- 14.1 Introduction
- 14.2 Lack of Integrity In Civil Service (**Corruption**)
- 14.3 Central Vigilance Commission (CVC)
- 14.4 Corruption II - Lokpal & Lokayukta
- 14.5 Let us sum up
- 14.6 Unit End Questions

14.0 OBJECTIVES

After studying this topic you will be able to understand the problem of corruption in Administration.

Awareness will be created regarding the institutional remedies for corruption

14.1 INTRODUCTION

Public administration in an underdeveloped country is looked upon as powerful and effective instrument of socio-economic change in the society. Such an instrument in order to be effective, is expected to be free from malpractices, favouritism, delays, nepotism and corruption. The citizens in such a society should have a faith in the integrity of public servants. However corruption and lack of integrity are the most serious challenges in the third world countries.

14.2 LACK OF INTEGRITY IN CIVIL SERVICE

(CORRUPTION)

The dictionary defines 'integrity' as soundness of moral principle, the character of uncorrupted virtue, uprightness; honesty, sincerity.

Deviation from moral standards or lack of integrity takes various shapes in the form of corruption patronage and undue influence, bribery, nepotism, misuse of power or influence, black marketing, profiteering and similar other malpractices commonly associated with

administration, politics or business or industry are not all that is meant by corruption. But, lack of integrity includes all these things. In general terms, lack of integrity means corruption.

Corruption

Corruption in the civil service has become a common phenomenon in every developing country, and India is not an exception to it. Bureaucratic corruption cannot be studied separately from political corruption.

According to David H. Bayley, "Corruption is a general term covering misuse of authority as a result of consideration personal gain, which needs not to be monetary."

Harmful Effects of Corruption

- i) Within the bureaucracy, corruption may and thus reduce the willingness to make sacrifices for the society's economic development. Bureaucratic corruption undercuts popular faith in govt. people became alienated from the govt.

Corruption, especially in form of bribery, causes decision to be weighed in terms of money, not in terms of human need. In other words the wheels of the bureaucratic machine must be oiled with money.

Corruption causes a rise in the price of administration. People who have already paid the tax are forced to bribe in order to get government service.

Causes of Corruption

Corruption in public services, according to Mathur, "is a complex phenomenon. It has sociological, economic, ethno-religious & political roots." Thus, we can explain the decline of integrity and ascendancy of corruption by analysing the following factors

- i) **Human Nature:** - The root cause of the loss of integrity is human nature. Human nature is fallible and power corrupts and absolute power corrupts absolutely.
- ii) **Historical Causes:** - In India, corruption has its roots in the colonial rule of the past. British administration was not interested in the overall development of the country. All superior and important positions were filled in by they were paid hand so mealy Lower posts were offered to Indians. Salaries to these posts were very slow. So they indulged in corrupt practices.

After World War II, scarcities led to many types of controls. It gave added opportunities to these low paid employees to resort to corrupt practices. Then it became habitual. It was during World War II that corruption reached the highest mark in India. The climate for integrity which has been rendered unhealthy by wartime controls and scarcities was further aggravated by the post-war Flush of money and the consequent inflation.

- iii) **Environmental Causes:** - The second important cause of corruption in public service is fast urbanization and industrialization where material possessions, position and economic power determine the status and prestige of a person in the society. Since salaries are low and inflation is unabated, poor civil servants fall easy to corrupt practices in order to keep status in the society.

- iv) **Economic Causes:** - Inadequate remuneration of salary scales and rising cost of living is probably one of the most important causes of corruption. In recent years the fast rising cost of living has brought down the real income of various sections of the community, particularly the salaried classes. Though this cannot be regarded as explanation of the fall in the standard of integrity, the fact encouraged those who had opportunities succumb to temptations.
- iv) **Lack of strong public opinion against the evil of corruption:** - People do not report to govt. against corrupt officials. Instead they offer bribes to get their illegitimate claims accepted. As such, malpractices have been regarded as inevitable and inescapable part of the day-today life.
- v) **Complicated and cumbersome procedure & working of govt. offices:** - It is alleged that the working of certain governmental dept. e.g. the Customs & Central Excise, Imports & Exports, Railways, Suppliers & Disposals, Police, Income Tax, etc. is complicated, cumbersome, and dialatory. This has encouraged the growth of dishonest practices like the speed money.
- vi) **Inadequate laws to deal with corruption:** - I. P. C. and other laws which deal with corruption cases are outmoded and provide insufficient penalties. It takes too much time to get a corrupt official punished under the laws.
- vii) **Undue protection given to public services in India:** - Art 311 of the Indian constitution which provided protection to the civil servants, as interpreted by our courts, makes it difficult to deal effectively with corrupt public servants.
- viii) **Collusion of commercial and industrial magnets and others to serve their individual interests:** - Big businessman, dishonest merchants, suppliers and contractors, grease the palms of civil servants in order to get undue favours from them. Sometimes they share a portion of their ill-earned profit with the govt. servants.
- ix) **Pressure Groups:** - Pressure groups like Indian chamber of Commerce, Trade Associations, State Chambers of Commerce, are said to help in breeding corruption through their activities of getting favours for their communities. They influence nailing elite through dinners, parties, luncheons etc.

Remedies measures corruption

The significant among the legal provisions and other measures are as follows

- i) **Provisions of Indian Penal Code:** - During the British rule in India, cases of administrative corruption were dealt with as per the provisions of section 161, 65 & 165-A of I.P.C. These provisions were designed to deter public servants from corrupt practices and provided rigorous imprisonment of r a term of three years and / or fine.
- ii) **The Prevention of Corruption Act 1947:-** This act defines the scope of corruption in regard to public servants. According to this Act corruption is a cognisable offence. The Act authorises the police officers to arrest the suspected offender without the due process of law.
- iii) **Service conduct rules:** - In order to keep in act integrity of public servants, the govt. has framed various rules for the public servants. The rules in force for the central

government servants are: All India services (conduct) Rules, 1954. Central Civil Services (conduct) Rules, 1955. And Railway services (conduct) Rules, 1956. More or less similar services conduct rules have been framed for the employees of the state Govt.

- iv) **Making conditions of Service attractive:** - Pay hike is a basic mean to wipe out the widespread corruption. It is good that govt. implemented the fifth pay commissions apart to restructure the salary structure of federal employees.
- v) **Simplification of working of Govt. machinery:** - The root cause of proliferation of corruption seems to be the complicated procedures of govt. offices. These procedures need to be evaluated and simplified. Delays must be prevented and officials made fully responsive to the needs of all the people.
- vi) **Creation of a healthy public opinion against the effects of corruption:** - Corruption will flourish till the general mass of people resist it with determination and strength. Most of all, the elimination of corruption requires a widespread and steady fast opposition to it, coupled with the courage to act against it.
- vii) **Ensuring high standards of conduct among the top personnel:** - High officials having considerable discretionary powers must be thoroughly disciplined to refuse costly gifts, invitations and other favours.
- viii) **Vigilance machinery in states:** - Every state has a State Vigilance Commission and a Special Police Establishment. The State Vigilance Commission deals with matters within the executive powers of the state concerned.

At the divisional and district levels too, the vigilance machinery has been established.

Check Your Progress

1. What is integrity of administrations? Discuss the causes of corruption in India?
2. What is corruption? State the remedial measures to overcome problem of corruption?

14.3 CENTRAL VIGILANCE COMMISSION (CVC)

Central Vigilance Commission (CVC) is an apex Indian governmental body created in 1964 to address governmental corruption. It has the status of an autonomous body, free of control from any executive authority, charged with monitoring all vigilant activity under the Central Government of India, and advising various authorities in central Government organizations in planning, executing, reviewing and reforming their vigilance work.

It was set up by the Government of India in February, 1964 on the recommendations of the *Committee on Prevention of Corruption*, headed by Shri K. Santhanam, to advise and guide Central Government agencies in the field of vigilance. Nittoor Srinivasa Rau, was selected as the first Chief Vigilance Commissioner of India.

The Annual Report of the CVC not only gives the details of the work done by it but also brings out the system failure which leads to corruption in various Departments/Organisations, system improvements, various preventive measures and cases in which the Commission's advises were ignored etc.

The current Central Vigilance Commissioner is Pradeep Kumar, and the Vigilance Commissioners are R Sri Kumar and J M Garg

Role

The CVC is not an investigating agency, and works through either the CBI or through the Departmental Chief Vigilance Officers.

The only investigation carried out by the CVC is that of examining Civil Works of the Government which is done through the Chief Technical Officer.

Corruption investigations against government officials can proceed only after the government permits them. The CVC publishes a list of cases where permissions are pending, some of which may be more than a year old.

The Ordinance of 1998 conferred statutory status to the CVC and the powers to exercise superintendence over functioning of the Delhi Special Police Establishment, and also to review the progress of the investigations pertaining to alleged offences under the Prevention of Corruption Act, 1988 conducted by them. In 1998 the Government introduced the CVC Bill in the Lok Sabha in order to replace the Ordinance, though it was not successful. The Bill was re-introduced in 1999 and remained with the Parliament till September 2003, when it became an Act after being duly passed in both the Houses of Parliament and with the President's assent. The CVC has also been publishing a list of corrupt government officials against which it has recommended punitive action.

Appointment

The Central Vigilance Commissioner and the Vigilance Commissioners are appointed by the President after obtaining the recommendation of a Committee consisting of:

- The Prime Minister — Chairperson
- The Home Minister — Member.
- The Leader of the Opposition in the Lok Sabha

Removal

The Central Vigilance Commissioner or any Vigilance Commissioner can be removed from his office only by order of the President on the ground of proved misbehaviour or incapacity after the Supreme Court, on a reference made to it by the President, has, on inquiry, reported that the Central Vigilance Commissioner or any Vigilance Commissioner, as

the case may be, ought to be removed. The President may suspend from office, and if deem necessary prohibit also from attending the office during inquiry, the Central Vigilance Commissioner or any Vigilance Commissioner in respect of whom a reference has been made to the Supreme Court until the President has passed orders on receipt of the report of the Supreme Court on such reference. The President may, by order, remove from office the Central Vigilance Commissioner or any Vigilance Commissioner if the Central Vigilance Commissioner or such Vigilance Commissioner, as the case may be

- is adjudged an insolvent; or
- has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or
- engages during his term of office in any paid employment outside the duties of his office; or
- is, in the opinion of the President, unfit to continue in office by reason of infirmity of mind or body; or
- has acquired such financial or other interest as is likely to affect prejudicially his functions as a Central Vigilance Commissioner or a Vigilance Commissioner.

Organisation

The CVC is headed by a Central Vigilance Commissioner who is assisted by two Vigilance Commissioners.

The Central Vigilance Commission has its own Secretariat, Chief Technical Examiners' Wing (CTE) and a wing of Commissioners for Departmental Inquiries (CDI).

As on 21 March 2012, CVC has staff strength of 257 against sanctioned strength of 299 (including the post of CVC and 2 VCs)

Limitations of CVC

- CVC is only an advisory body. Central Government Departments are free to either accept or reject CVC's advice in corruption cases.
- CVC does not have adequate resources compared with number of complaints that it receives. It is a very small set up with sanctioned staff strength of 299. Whereas, it is supposed to check corruption in more than 1500 central government departments and ministries.
- CVC cannot direct CBI to initiate inquiries against any officer of the level of Joint Secretary and above on its own. Such permission has to be obtained from the concerned department.
- CVC does not have powers to register criminal case. It deals only with vigilance or disciplinary cases.
- CVC has supervisory powers over CBI. However, CVC does not have the power to call for any file from CBI or to direct CBI to investigate any case in a particular manner. CBI

is under administrative control of Department of Personnel and Training (DoPT). This means that, the powers to appoint, transfer, suspend CBI officers lie with DoPT.

- Appointments to CVC are indirectly under the control of Govt of India, though the leader of the Opposition (in Lok Sabha) is a member of the Committee to select CVC and VCs. But the Committee considers candidates put up before it. These candidates are decided by the Government.

As a result, although CVC is relatively independent in its functioning, it has neither resources nor powers to inquire and take action on complaints of corruption that may act as an effective deterrence against corruption.

14.4 CORRUPTION II - LOKPAL & LOKAYUKTA

Public Administration in developing countries has grown both in magnitude and complexity to deal with various needs of the citizens. In this process, administration has become insensitive, unresponsive and corrupt, leading to inefficiency, delay and negligence. In a democratic set up, legislative and Judiciary provide the mechanism to control the administration. Besides, internal administration has its own mechanism to set right its commissions and omissions, but over the years these are becoming partially ineffective.

In the Scandinavian and other advanced countries, ombudsman has been setup to protect citizen's rights. These institutions have yielded positive results. Encouraged by their success, many developing countries have also started establishing such institutions.

"The ombudsman, according to Rowat," is a novel and uniquely appropriate institution for dealing with the average citizen complaints unfair administrative action."

Let us now discuss about ombudsman in India and its states.

Ombudsman in India

The necessity of creating the institution of ombudsman in India was stressed by K. M. Munshi, a parliamentarian in 1960, M. C. Setalvad, the then Attorney General of India in 1962, L. M. Singhvi, Member of Parliament in 1963, and Rajasthan Administrative Reforms Committee in 1963. A resolution to examine its feasibility in Parliament was moved in 1965 and a special consultative Group of Members of Parliament on Administrative Reforms Commission headed by Shri Morarji Desai. It submitted its report on 20th October, 1966 and recommended the setting up of ombudsman type of institution in India for the following reasons

- i) Since a democratic government is a government of the people, by the people and for the people, it has an obligation to satisfy the citizens' about its functioning and to offer them adequate means for the ventilation and redress of their grievances.
- ii) The existing institutions of judicial review and parliamentary control are inadequate in view of the ever-expanding range of Governmental activities, most of which are discretionary.

The institution of ombudsman is, therefore, considered by the commission as easy, quick and inexpensive machinery for the redress of individual grievances of the citizens, in the light of the experience of other countries, where such office has already been set-up.

History of Lokpal

The government of India accepted the recommendation of the commission. The Lokpal and Lokayukta Bill was introduced in the Lok Sabha in May, 1962. Before the bill could be passed by the Rajya Sabha, the Lok Sabha was dissolved. A second attempt was made in 1971 but again, due to the dissolution of the Lok Sabha the Bill lapsed. A third attempt was made in 1977, when a new Bill, entitled Lokpal Bill, 1977 was introduced in the Lok Sabha. It was referred to the Joint select committee of Parliament, which submitted its report in July, 1978. The Bill again lapsed with dissolution of the Lok Sabha. However, the 1977 Bill excluded the office of Lokayukta, which has been left for State legislation. The Bill was again introduced in 1985 and till today, Bill has not been passed. Recently Anna Hazare's movement try to push the bill in its own regard, but yet nothing faithful happened in this regard.

Lokayukta

Today, only about fifteen states have a Lokayukta. In some of them, the chief minister falls within the ambit of Lokayukta. In others, the Chief Minister is outside the preview of. Similarly there is lack of uniformity in the jurisdiction of the Lokayuktas over Members of the state Legislature. The Lokayukta legislation should be uniform on all such aspects.

Many states have set up Lokayukta through state Acts, which came into operations as shown below:-

Maharashtra (1971)

Rajasthan (1973)

Bihar (1973)

Madhya Pradesh (1981)

Himachal Pradesh (1983)

Karnataka (1985)

Jurisdiction of Lokayukta

Jurisdiction of Lokayukta covers state ministers, permanent secretaries, elected members of local bodies and certain officials, while Upalokayukta deals with other officials. In the bills of Madhya Pradesh, Himachal Pradesh and Bihar, the Lokayukta can entertain cases of corruption against the Chief Minister as well. The Lokayukta and Upalokayukta are to cover cases relating to corruption as well as personal grievances.

The existence of Lokayukta and Upalokayukta has helped the citizens in the states covered by these institutions in getting their grievances removed. However, the extent of corruption and irresponsibility in administration has gone very deep. Daily, cases of corruption, negligence and malpractices are reported in the papers indicating their unsatisfactory performance. Let us examine some of the reasons responsible for it.

- i) **Lack of public confidence in the sincerity of these institutions:-** People think these institutions cannot provide justice to the people in an environment totally polluted by corrupt practices. The institution of Lokayukta fails to enjoy the confidence of all sections of the society although it has been given the status of the highest judicial functionaries of the land.
- ii) **Tacking the cases of corruption and allegations by the same machinery not being effective:-** The most effective measure that the Lokayukta could take would be to separate the treatment of allegation and grievance complaints in so far as this is possible within the existing laws and rules.
- iii) **Focus on the working and not the major issues Responsible for citizen's complaints. :-** These institutions work only at micro level. i.e. dealing with complaints and taking action on them. It is suggested that these institutions may prepare an analytical paper indicating the main problems of administration, both 'political' and 'bureaucratic' on the basis of complaints received.
- iv) **Citizens Deprived of Information because of too much secrecy and thus handicapped in filing complaints.**
- v) **Lokayukta's administrative apparatus not in tune with the needs: -** The functioning of an organisation depends on its staff. Staff in most of these institutions is on deputation and hence exhibits lack of commitment.

14.5 LET US SUM UP

Lack of integrity in the public administration is a serious challenge for the development. Apart from the socio, economic political causes nature of human being is the major cause of corruption .Lokpal, Lokayukta, CVC, ACB are the institutional measures to prevent the corruption...The freedom from political pressure is required their effective operation.

14.6 UNIT END QUESTIONS

1. What is the meaning of Ombudsman?
2. Discuss the role of Lokpal in India.



CITIZENS' CHARTERS

Unit Structure

- 15.0 Objectives
- 15.1 Introduction
- 15.2 Meaning of the concept
- 15.3 Objectives of the Citizens' Charter
- 15.4 Background of Citizens' Charters
- 15.5 Citizens' Charters' Initiatives in India
- 15.6 Implementation of Citizens' Charters
- 15.7 Problems in Implementation of Citizens' Charters
- 15.8 Conclusion
- 15.9 Summary
- 15.10 References
- 15.11 Unit End Questions

15.0 OBJECTIVES

- To understand the concept of Citizens' Charters.
- To study the international experience of Citizens' Charters.
- To examine the development of Citizens' Charters, in India and challenges in their implementation.

15.1 INTRODUCTION

In the era of economic liberalisation and privatisation a sea-change has occurred in how ordinary citizens conceptualize public service. No more are public services considered mere grants or concessions by end-users. Instead, citizens now consider public service to be something that must be provided— as a right – by the government in return for fees or taxes. Citizens are increasingly becoming aware of their rights as consumers of government services. Citizens' Charters have been adopted in many countries around the world. They are seen as powerful tools for improving standards of public service, as instruments for achieving greater accountability and transparency in service delivery and (in some countries) as a means of reinforcing democratic principles by 'empowering' the citizen.

15.2 MEANING OF THE CONCEPT

According to the Department of Administrative Reforms & Public Grievances (DARPG), the ministry spearheading the Citizens' Charters initiative in India, a Citizens' Charter is an understanding between ordinary citizens and public service providers which outlines the quantity and quality of service citizens can expect to receive in exchange for taxes or fees. Citizens' Charter is a document which represents a systematic effort to focus on the commitment of the organisation towards its citizens in respect of standards of services, information, choice and consultation, nondiscrimination and accessibility, grievance redress, courtesy and value for money. This also includes expectations of the organisation from the citizens for fulfilling the commitment of the organisation.

The term 'Citizen' in the Citizens' Charter implies the clients or customers whose interests and values are addressed by the charters and therefore includes not only citizens but all the stakeholders ,i.e. citizens, customers, clients, users, beneficiaries, other Ministries, Departments, Organisations, State Governments, UT Administrations etc.

15.3 OBJECTIVES OF CITIZENS' CHARTERS

The basic objectives of Citizens' Charter movement as originally framed were:

- Quality : Improving the quality of services;
- Choice : Wherever possible;
- Standards : Specify what to expect and how to act if standards are not met;
- Value: For the taxpayers' money;
- Accountability : Individuals and Organisations; and
- Transparency: Rules/ Procedures/ Schemes/Grievances.

These were later elaborated by the Labour Government of U.K. as following nine principles of Service Delivery (1998)

- Set standards of service
- Be open and provide full information
- Consult and involve
- Encourage access and the promotion of choice
- Treat all fairly
- Put things right when they go wrong
- Use resources effectively
- Innovate and improve
- Work with other providers.

The Citizen's Charter generally does not confer any legal rights to the citizens but provides certain assurances to them in receiving services from the public agencies regarding specified standards, quality and timeframe etc.

15.4 BACKGROUND OF CITIZENS' CHARTERS

The concept was first formulated and implemented in the United Kingdom by the Conservative Government of John Major in 1991 as a national programme with a simple aim: to continuously improve the quality of public services for the people of the country so that these services respond to the needs and wishes of the users. The programme was modified and re-introduced in 1998 by the Labour Government of Tony Blair under the banner "Services First".

The key aspects of the charter are the requirements that public agencies publish commitments to standards of service, that there is independent monitoring and publication of standards achieved, and that mechanism be established through which the customer can achieve satisfaction when standards are not met. It introduced various forms of compensation and alternative arrangements for service provision where agencies do not live up to their promises.

Influenced by the British charter several countries implemented similar programmes e.g. Australia (Service Charter, 1997), Belgium (Public Service Users' Charter 1992), Canada (Service Standards Initiative, 1995), France (Service Charter, 1992), India (Citizens' Charter, 1997), Jamaica (Citizens' Charter 1994), Malaysia (Client Charter, 1993), Portugal (The Quality Charter in Public Services, 1993), and Spain (The Quality Observatory, 1992) (OECD, 1996).

Some of these initiatives are very similar to the UK model, while others chart new ground by leaning on the service quality paradigm of the Total Quality Management (TQM) movement. Other initiatives are pitched somewhere in between. Even in the UK, in the context of the Next Steps/Modernising Government Initiatives, Citizens' Charters have acquired a service quality face for delivery of public services. The quality tools adopted for improving public services include the Business Excellence Model, Investors in People, Charter Mark, ISO 9000 and Best Value (Government of UK, 1999). In fact, the Citizens' Charter approach has several things in common with TQM. Both begin by focusing on meeting customer/citizen requirements. Other key common elements are conformance to standards, stakeholder involvement and continuous improvement.

15.5 CITIZENS' CHARTERS' INITIATIVES IN INDIA

Over the years, in India, significant progress has been made in the field of economic development. It has made Indian citizens increasingly aware of their rights. Citizen's Charters were first implemented in India in 1994 when consumer rights activists drafted a charter for health service providers at a meeting of the Central Consumer Protection Council in Delhi. In 1996, the Prime Minister initiated the Citizen's Charters program on a national level. The

Citizen's Charter initiative in India saw fruition on the state level at a conference of Chief Ministers held in May 1997 where the "Action Plan for Effective and Responsive Government at the Centre and the State Levels" was adopted, paving the way for the

formulation of charters among ministries, departments and agencies that have significant public interaction. . One of the major decisions at that Conference was that the Central and State Governments would formulate Citizens' Charters, starting with those sectors that have a large public interface (e.g. Railways, Telecom, Posts, and Public Distribution Systems). These Charters were required to include standards of service and time limits that the public can reasonably expect avenues of grievance redress and a provision for independent scrutiny with the involvement of citizen and consumer groups. The three main areas of Action Plan that were discussed in the conference were:

- Making administration accountable and citizen friendly
- Ensuring transparency and right to information, and
- Taking measures to cleanse and motivate civil services.

Department of Administrative Reforms and Public Grievances in Government of India (DARPG) initiated the task of coordinating, formulating and operationalising Citizens' Charters. Guidelines for formulating the Charters as well as a list of *do's* and *don'ts* were communicated to various government departments/organisations to enable them to bring out focused and effective charters. For the formulation of the Charters, the government agencies at the Centre and State levels were advised to constitute a task force with representation from users, senior management and the cutting edge staff. A Handbook on Citizen's Charter has been developed by the Department and sent to all the State Governments/UT Administrations.

The Charters are expected to incorporate the following elements : (i) Vision and Mission Statement; (ii) Details of business transacted by the organisation; (iii) Details of clients; (iv) Details of services provided to each client group; (v) Details of grievance redress mechanism and how to access it; and (vi) Expectations from the clients.

A comprehensive website of Citizens' Charters in Government of India (www.goicharters.nic.in) has been developed and was launched by the Department of Administrative Reforms and Public Grievances on 31 May, 2002. This contains the Citizens' Charters issued by various Central Government Ministries/ Departments/ Organisations. The website provides useful information, data and links. The DARPG brought out a Compendium of abridged versions of all Citizens' Charters in Government of India in a book as well as in CD form on 14 May, 2003. The Compendium contains the operative standards and quality of services proposed to be provided as also the public grievance redress mechanism as committed in the Citizens' Charters. The Compendium also contains the name, address, telephone number, and e-mail address etc. of nodal officers for Citizens' Charters in Central Government Ministries / Departments / Organisations and also the list of website addresses of concerned Ministry / Department / Organisation.

Involvement of consumer organisations, citizen groups, and other stakeholders in the formulation of the Citizens' Charter is emphasised to ensure that the Citizens' Charter meets the needs of the users. Regular monitoring, review and evaluation of the Charters, both internally and through external agencies, are enjoined. In 2006, the DARPG website listed 767 charters drafted by various government agencies around the country. The number of Citizen's Charters drafted by departments in the Central Government, State Governments, and Union Territories is as follows:

- Central Government: 112
- State Government: 588
- Union Territories: 67

Most of the national Charters are posted on the government's websites and are open to public scrutiny. The organisations with Citizens' Charters are advised to give publicity to their Charters through such means as print/ electronic media and awareness campaigns.

In response to the demands of civil society groups to bring an effective anti-corruption law, in December, 2011 the Bill called the '**Right of Citizens for Time-bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011**', was introduced in the Parliament by the Government. It confers right on every individual citizen to time bound delivery of goods and provision for services and Redressal of grievances. It requires every public authority to publish, within six months of the commencement of the proposed legislation, a Citizens Charter specifying therein the category of goods supplied and services rendered by it, the time within which such goods shall be supplied or services be rendered the name and addresses of individuals responsible as designated officers for the delivery of goods or rendering of services. However, this Bill has not yet become a law.

15.6 IMPLEMENTATION OF CITIZENS' CHARTERS

While the overall efforts and initiatives of the government on Citizen's Charter were continuing, it was realised that exemplary implementation of the Charter in major public interface area of government would not only establish the new concept but also act as a role model for replication in other sectors/areas. The banking sector was identified for this purpose to build the Banking Sector as a model of excellence in the implementation of the Citizen's Charter. To begin with, three major National level Banks, namely, Punjab National Bank, Punjab and Sind Bank and Oriental Bank of Commerce, were selected for a Handholding exercise by the DARPG in the year 2000. The following key issues were highlighted for exemplary implementation of the Citizen's Charter : (i) stakeholder involvement in the formulation of Citizen's Charters; (ii) deployment of the Citizen's Charters in the Banks by full involvement of the staff, specially the employees at the cutting-edge level; (iii) creation of awareness about the Charter amongst the customers of the Banks; and (iv) special training for employees at all levels about the concept and implementation of Citizen's Charter.

After an evaluation of the current status of the Charters by the identified banks through independent agencies, Action Plans were chalked out to rectify shortcomings. The Charters were, accordingly, revised and standardised on the basis of the model/ mother Charter developed by the Indian Banks Association (IBA). Banks Model Citizens' Charter prepared by the Indian Bank Association is shown in the box below.

Banks Model Citizens' Charter Prepared By The Indian Bank Association

Common Practices to be followed by Banks

- Display business hours.
- Render courteous services.

- Attend to all customers present in the Banking Hall at the close of business hours.
- Provide separate 'Enquiry' or 'May I Help' counter at large branches.
- Offer nomination facility to all deposit accounts (i.e. account opened in individual capacity) and all safe deposit locker hirers (individual hirers).
- Display interest rates for various deposit schemes.
- Notify change in interest rates in advance.
- Provide details of various deposit schemes/services of the Bank.
- Display time – norms for various banking transactions.
- Pay interest for delayed credit of outstation cheques, as advised by the Reserve Bank of India from time to time.
- Accord immediate credit in respect of outstation and local cheques up to specified limit subject to certain conditions, as advised by the Reserve Bank of India from time to time.
- Provide complain/suggestion box in the branch premises.

Display address of Regional/Zonal and Central Offices as well s Nodal Officer dealing with customer grievances/complaints.

15.7 PROBLEMS IN IMPLEMENTATION OF CITIZENS' CHARTERS

Introduction and implementation of the concept of Citizens' Charter in the Government of India was much more difficult due to the old bureaucratic set up/procedures and the rigid attitudes of the work force. The major obstacles encountered in this initiative were:-

- The general perception of organisations which formulated Citizens' Charters was that the exercise was to be carried out because there was a direction from the top. The consultation process was minimal or largely absent. It thus became one of the routine activities of the organisation and had no focus.
- For any Charter to succeed the employees responsible for its implementation should have proper training and orientation, as commitments of the Charter cannot be expected to be delivered by a workforce that is unaware of the spirit and content of the Charter. However, in many cases, the concerned staff were not adequately trained and sensitised.
- Sometimes, transfers and reshuffles of concerned officers at the crucial stages of formulation/implementation of a Citizens' Charter in an organisation severely undermined the strategic processes which were put in place and hampered the progress of the initiative.
- Awareness campaigns to educate clients about the Charter were not conducted systematically.
- In some cases, the standards/time norms of services mentioned in Citizens' Charter were either too lax or too tight and were, therefore, unrealistic and created an unfavourable impression on the clients of the Charter.

- The concept behind the Citizens' Charter was not properly understood. Information brochures, publicity materials, pamphlets produced earlier by the organisations were mistaken for Citizens' Charters.

The following factors are important for the successful implementation of Citizens' Charters: Before initiating Citizens' Charters, the administrative processes and procedures should be examined thoroughly to know the suitability of the charters.

- Citizens' Charters raise citizens' expectations while receiving services from the public organisations. Every public organisation should make an assessment of their capabilities and resources in delivering quality and standard services to citizens. On the basis such capabilities the charter should be drafted.
- The success and failures of any organisation depends on its human resources. Hence, it is important that employees are motivated to accept citizen' charter and function accordingly.
- Unless citizens are involved, right from initiation of a charter to its implementation, it will not succeed.
- Generating awareness regarding Citizen Charters is critical to its success. It is essential that public offices interact with citizens' group and voluntary organisations which are in constant touch with people. Public organisations should publicise the charter widely.
- The Citizens' Charters should be simple in every aspect. The standards should be explicitly stated and grievance machinery should be flexible enough to accommodate citizens' complaints any time.
- The endeavours of public organisations to provide good services to citizens should be genuine and wholehearted not cosmetic.

15.8 CONCLUSION

The three essential aspects emphasised in good governance are transparency, accountability and responsiveness of the administration. There is no doubt that the citizens' charter strategy, if formulated and implemented in an objective, conscious, and committed manner to give the citizens their due, can lead us towards good governance. In recent years there has developed a growing international consensus that public bodies need to become more responsive to the users of public services. Many countries have launched charter initiatives to encourage those responsible for the delivery of such services to raise their standards of performance, to operate in a more transparent way, to be more responsive to the needs and expectations of their 'customers' and to improve their complaints procedures. Inspired by its success in the United Kingdom the Citizen's Charter program was launched in India by the Prime Minister in 1997. Over 767 public service providers in the Central and State governments implemented a Citizen's Charter in the following years. Yet, the question remained as to the efficacy of Citizen's Charters in practice.

Citizen's Charter initiative is important step towards public sector reform, but it has not significantly contributed to increases in service quality in most cases. For this programme to succeed, government agencies must ascertain services that must be delivered, consult with end-users to research their needs, determine service delivery standards that can be realistically implemented, scope any potential organisational restructuring, and train and

motivate staff. There is need to recognise and support the efforts of civil society groups in solving the problem of information disclosure on citizens' Charters.

15.9 SUMMARY

- Citizens' Charter is a document representing an effort to focus on the commitment of public organisation towards its clients in providing better and qualitative services.
- It ensures accountability, responsiveness and transparency in the administration which are important components of good governance.
- In the year 1991, the government of U.K. formally launched Citizens' Charter for providing better services to its citizens.
- The development of charters in India received boost from the conference held in the year 1996, in which a decision was taken to initiate citizen's charters and Department of Administrative Reforms and Personnel Grievances took the lead role.
- Every charter should be given wide publicity and should allow peoples' participation.
- The essentials of Citizens' Charters are mission statements, transaction details, service standards, quality of services, delivery time, grievance machinery etc.
- Citizens' Charters ensure greater responsiveness, accountability and transparency in governance. However, it should not be considered as a formula to correcting all maladies of public organisations.

15.10 REFERENCES

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15.11 UNIT END QUESTIONS

1. Discuss the meaning and objectives of the Citizens' Charter.
2. Examine the international experience on Citizens' Charters.
3. Discuss the Citizens' Charters initiatives in India.
4. Analyse the challenges in the implementation of Citizens' Charters in India.

