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IC Centre for Governance
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The IC Centre for Governance has been set up in with the objective of collective thinking and acting, on important issues of governance. It believes that public governance is too serious a matter to be left entirely to the state and that the involvement of the Civil Society is not only desirable but also essential.The centre seeks to strengthen the capacity of Civil Society and government for ensuring good governance.

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EDITORIAL

You can't describe a spiral without moving your hands
A Matthias

While there has always been lively casual discussion of the acts of commission and omission on the part of those in government, the word 'governance' has gained currency only for about a decade in India. However, the current knowledge of the formulation and implementation of public policy seems to lack the desired breadth and depth even among those proficient in different disciplines in the democratic set up.

That there exists a palpable asymmetry of information and an institutional weakness to consult stakeholders cannot be denied. Therefore, the urge to start a Journal of Governance stemmed from the recognition that there was a strong case for enlarging the scale of public discourse both on the theory as well as the practice of governance. The best way of doing it, it was felt, was by inviting those who had been involved in policymaking, those currently involved in the process of governance, those in academia and those who have been informed observers to give their views on policies, programmes and strategies that have operated against the backdrop of India's political system, the institutions that make and interpret laws and those that carry the responsibility for implementation on the ground.

One of the new buzzwords in the discourse on public policy is inclusive governance. Some call it 'deliberative democracy'; others call it 'participatory governance'. It can be seen both as a value in itself or as an instrument to achieve desired objectives. It is based on the premise that enlargement of expertise and debate can play a vital role in promoting public good.

According to the UN Expert Group* on Engaged Governance, 'Participation is valued for both intrinsic and instrumental reasons. The intrinsic value refers to the idea that the act of participation is valuable in itself, quite apart from any

* Participatory Governance and Millennium Development Goals, publication based on expert group meeting on engaged governance, 1-2 November 2006, United Nations , 2008.

value it may have in helping to achieve other good things'.

We believe that the civil society in a democratic setting has a dual responsibility – to influence the policy makers as also to encourage public understanding of policy formulation and implementation and initiating new policies where none exist.

The print media is replete with articles that criticise the lapses of the establishment. These undoubtedly serve the purpose of disseminating information and articulating a counter-viewpoint. But positivism of the civil society is sadly lacking in our country, though its need is being increasingly felt.

The Journal provides an interdisciplinary platform where the role of the state and the efforts made to tackle the subjects of development, poverty alleviation, social audit, the use of new technology, and much more can be debated with courage and vision.

We therefore invite contributions from political thinkers, civil servants, academics as well as professionals from other disciplines. Articles putting forward alternatives that can be translated into policy would be particularly welcome. For some the challenge would be to render erudition into simple thought. For others it would be an opportunity to become engaged in productive dialogue based upon concrete experience. Others would have an opportunity to bring technologies and systems from other disciplines into governance. We therefore look forward to articles that address new policies, new structures and delve into the merits and shortcomings of existing approaches.

I hope the Journal becomes a popular and useful reservoir for governance-related material whether imbibed from first person experience or from academic research.We in the IC Centre for Governance understand a little about governance. There is, however, a great deal we do not know. We are willing to learn. It pleases us to place the first issue of the Journal in your hands and look forward to your comments and contributions* .

Prabhat Kumar

* Comments and observations can be sent to iccfg@rediffmail.com.

Prajapati Trivedi

Performance Monitoring and Evaluation System(PMES) for Government Departments

In her address to both Houses of the Parliament on June 4, 2009, the President of India said the Government will initiate steps within the next hundred days to "Establish mechanisms for performance monitoring and performance evaluation in government on a regular basis." Pursuant to this announcement, the Prime Minister approved the outline of the Performance Monitoring and Evaluation System (PMES) for Government Departments on September 11, 2009. As of January 1, 2010, all 59 ministries and departments covered under Phase I of implementation had finalized their Results-Framework Document (RFD) for the last quarter of 2009-2010.

This paper discusses the origins, development, and experience of implementing this remarkable policy. It is divided into following seven sections. First section describes the Performance Monitoring and Evaluation System (PMES); section two explains the working of this system; section three examines the rationale for its introduction; section four reviews the international experience in this area; section five lists the progress made in implementing this policy; section six highlights the key challenges facing this policy; and section seven looks ahead at next steps required to complete the performance management revolution.

1. Performance Monitoring and Evaluation System (PMES)

This is a system to both "evaluate" and "monitor" the performance of Government departments. *Evaluation* involves comparing the actual achievements of a department against the annual targets. In doing so, an evaluation exercise judges the ability of the department to deliver results on a scale ranging from e*xcellent* to *poor*. *Monitoring* involves keeping a tab on the progress made by departments towards their annual targets.

PMES takes a comprehensive view of departmental performance by measuring performance of all schemes and projects (iconic and non-iconic) and all relevant aspects of expected departmental deliverables such as: financial, physical, quantitative, qualitative, static efficiency (short run) and dynamic efficiency (long run).

As a result of this comprehensive evaluation of all aspects relevant to citizen's welfare, this system provides a unified and single view of departmental performance.

By focusing on areas that are within the control of department, PMES also ensures fairness and high levels of motivation.

2. Working of the PMES

The working of the PMES can be divided into the following three distinct periods during the fiscal year:

A. Beginning of the Year (by April 1): Design of Results-Framework Document
B. During the Year (after six months – Oct. 1): Monitor progress against agreed targets
C. End of the year (March 31): Evaluate performance against agreed targets

A. Beginning of the Year (by April 1): Design of Results-Framework Document

At the beginning of each financial year, with the approval of the Minister concerned, each department prepares a Results-Framework Document (RFD) consisting of the priorities set out by the Minister concerned, agenda as spelt out in the party manifesto if any, President's Address, announcements/agenda as spelt out by the Government from time to time. The Minister in-charge decides the *interse* priority among the departmental objectives.

To achieve results commensurate with the priorities listed in the Results-Framework document, the Minister incharge approves the proposed activities and schemes for the ministry/ department. The Ministers incharge also approves the corresponding success indicators (Key Result Areas – KRAs or Key Performance Indicators – KPIs) and time bound targets to measure progress in achieving these objectives.

The Results-Framework Document (RFD) prepared by each department seeks to address three basic questions:

i. What are department's main objectives for the year?

ii. What actions are proposed to achieve these objectives?

iii. How to determine progress made in implementing these actions?

The RFD document consists of five sections depicted in the figure given below:

Section 1	Ministry's Vision, Mission, Objectives and Functions.
Section 2	*Inter se* priorities among key objectives, success indicators and targets.
Section 3	Trend values of the success indicators.
Section 4	Description and definition of success indicators and proposed measurement methodology.
Section 5	Specific performance requirements from other departments that are critical for delivering agreed results.

Section 1:Ministry's Vision, Mission, Objectives and Functions

This section provides the context and the background for the Results-Framework Document. Creating a Vision and Mission for a department is a significant enterprise. Ideally, Vision and Mission should be a byproduct of a strategic planning exercise undertaken by the department. Both concepts are interrelated and much has been written about them in management literature.

Section 2 : Interse priorities among key objectives, success indicators and targets.

The heart of the Section 2 of the RFD document consists of Table 1. In what follows we describe each column of this Table.

Column 1 : Select Key Departmental Objectives

From the list of all objectives, departments are expected to select those key objectives that would be the focus for the current RFD. It is important to be selective and focus on the most important and relevant objectives only.

Table 1: Format of the Results-Framework Document (RFD)

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Objective 1		Action 1								
		Action 2								
		Action 3								
Objective 2		Action 1								
		Action 2								
		Action 3								
Objective 3		Action 1								
		Action 2								
		Action 3								

Column 2 : Assign Relative Weights to Objectives

Objectives in the RFD should be ranked in a descending order of priority according to the degree of significance, and specific weights should be attached to these objectives. The Minister incharge will decide the *inter se* priorities among departmental objectives and all weights must add to 100.

Column 3 : Specify Means (Actions) for Achieving Departmental Objectives

For each objective, the department must specify the required policies, programmes, schemes and projects. These have to be approved by the concerned Minister. Often, an objective has one or more policies associated with it. An objective represents the desired “end” and associated policies, programmes and projects represent the desired “means.” The latter are listed as “actions” under each objective.

Column 4 : Specify Success Indicators

For each of the “action” specified in Column 3, the department must specify one or more “success indicators.” They are also known as “Key Performance Indicators (KPIs)” or “Key Result Areas (KRAs)” A success indicator provides a means to evaluate progress in achieving the policy, programme, scheme and project. Sometimes more than one success indicator may be required to tell the entire story.

Column 5 : Assign relative Weights to Success Indicators

If we have more than one action associated with an objective, each action should have one or more success indicators to measure progress in implementing these actions. In this case we will need to split the weight for the objective among various success indicators associated with the objective.

Column 6 : Specify Targets for Success Indicators

The next step for the concerned departments is to choose a target for each success indicator. Targets are tools for driving performance improvements. Target levels, therefore, contain an element of stretch and ambition. The targets are presented as a five-point scale as follows:

Excellent	Very Good	Good	Fair	Poor
100%	90%	80%	70%	60%

It is expected that budgetary targets would be placed at 90% (Very Good). For any performance below 60%, the department would get a score of 0%.

Section 3 : Trend values of the success indicators

For every success indicator and the corresponding target, RFD must provide actual values for the past two years and also projected values for two years in the future.

Table 2: Trend Value for Success Indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
Objective 1		Action 1						
		Action 2						
		Action 3						
Objective 2		Action 1						
		Action 2						
		Action 3						
Objective 3		Action 1						
		Action 2						
		Action 3						

Section 4 : Description and definition of success indicators and proposed measurement methodology.

RFD must contain a section giving detailed definitions of various success indicators and the proposed measurement methodology. Wherever possible, the rationale for using the proposed success indicators may be provided.

Section 5 : Specific performance requirements from other departments that are critical for delivering agreed results.

This section should contain expectations from other departments that impact on the department's performance. These expectations should be mentioned in quantifiable, specific, and measurable terms.

Once the RFD has been prepared and approved by the concerned Minster it is sent to A High Power Committee

(HPC) on Government Performance. This HPC ensures coordination and consistency among departments.

Government has also set up an independent group of non-governmental experts to provide feedback to departments on their RFDs. This group consists of academicians, former secretaries to Government of India, and domain experts. The existence of this group ensures that professional independent feedback is available to departments.

B. During the Year (after six months – Oct. 1): Monitor progress against targets

After six months, the Results-Framework Documents (RFD) as well as the achievements of each Ministry/ Department against the performance goals laid down, may have to be reviewed and the goals reset, taking into account the priorities at that point of time. This enables Government to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics.

C. End of the year (March 31): Evaluate performance against agreed targets

At the end of the year, we look at the achievements of the government department, compare them with the targets, and determine the composite score. Table 3 provides an example from the health sector. For simplicity, we have taken on one objective to illustrate the evaluation methodology.

The Raw Score for Achievement in Column 6 of Table 3 is obtained by comparing the achievement with the agreed target values. For example, the achievement for first success indicator (% increase in primary health care centers) is 15 %. This achievement is between 80 % (Good) and 70 % (Fair) and hence the "Raw Score is" 75%.

The Weighted Raw Score for Achievement in Column 6 is obtained by multiplying the Raw Score with the relative weights. Thus for the first success indicator, the Weighted Raw Score is obtained by multiplying 75% by .50. This gives us a weighted score of 37.5%. Finally, the Composite Score is calculated by adding up all the weighted Raw Scores for achievements. In Table 3, the Composite Score is calculated to be 84.5.

The composite score shows the degree to which the government department in question was able to meet its objective. The fact that it got a score of 84.5 % in our hypothetical example implies that the department's performance vis-à-vis this objective was rated as "Very Good."

The methodology outlined above is transcendental in its application. Various Government departments will have a diverse set of objectives and corresponding success indicators. Yet, at the end of the year every department will be able to compute its Composite Score for the past year. This Composite Score will reflect the degree to which the department was able to achieve the promised results.

Departmental Rating	Value of Composite Score
Excellent =	100% - 96%
Very Good =	95% - 86%
Good =	85 – 76%
Fair =	75% - 66%
Poor =	65% and below

3. Rationale for the System

The current systems for accountability for results in Government suffer from several limitations. PMES has examined these limitations and is designed to overcome these limitations. Examples of these limitations follow:

a) There is fragmentation of institutional responsibility for performance management. Departments are required to report to multiple principals who often have multiple objectives that are not always consistent with each other. A department could be reporting to the Department of Programme Implementation on important programmes and projects, Department of Public Enterprises on the performance of PSUs under it, Department of Expenditure on performance in relation to Outcome Budgets, Planning Commission on plan targets; CAG regarding the

Table 3: Example of Performance Evaluation at the End of the Year

Column 1	Column 2		Column 3		Column 4	Column 5					Column 6		
Objective	Action		Criteria / Success Indicators	Unit	Weight	Target / Criteria Values					Achieve-ment	Raw Score	Weig-ht Score
						Excellent	Very Good	Good	Fair	Poor			
						100%	90%	80%	70%	60%			
Better Rural Health	Improve Access to Primary Health Care	1	% Increase in number of primary health care centers	%	.50	30	25	20	10	5	15	75%	37.5%
		2	% Increase in number of people with access to a primary health center within 20 KMs	%	.30	20	18	16	14	12	18	90%	27%
		3	Number of hospitals with ISO 9000 certification by December 31, 2009	%	.20	500	450	400	300	250	600	100%	20%
Composite Score =84.5%													

procedures, processes, and even performance; Cabinet Secretariat on cross cutting issues and issues of national importance; Minister in-charge on his priorities; Standing Committee of the Parliament on its annual report and other political issues; etc.

b) Similarly, several important initiatives have fractured responsibilities for implementation and hence accountability for results is diluted. For example, E-Government initiatives are being lead by the Department of Information Technology, Department of Administrative Reforms and Public Grievances, NIC, as well as individual ministries.

c) Some of the systems are selective in their coverage and report on performance with a significant time-lag. The comprehensive Performance Audit reports of the CAG are restricted to a small group of schemes and institutions (only 14 such reports were laid before the parliament in 2008) and come out with a substantial lag. Often, by the time these reports are produced both, the management and the issues facing the institutions change.

   The reports of enquiry commissions and special committees to set-up to examine performance of government departments, schemes and programmes suffer from similar limitations.

d) Most performance management systems are conceptually flawed. As mentioned earlier, an effective performance evaluation system is at the heart of an effective performance management system. Typically, performance evaluation systems in India suffer from two major conceptual flaws. First they list a large number of targets that are not prioritized. Hence, at the end of the year it is difficult to ascertain performance. For example, simply claiming that 14 out of 20 targets were met is not enough. It is possible that the four targets that were not met were in the areas that are the most important areas of the department's core mandate.

   Similarly, most performance evaluation systems in the Government use single point targets rather than a scale.

This is the second major conceptual flaw and it makes it difficult to judge deviations from the agreed target. For example, how are we to judge the performance of the department if the target for rural roads for a particular year is 15000 KMs and the achievement is 14500 KMs?

In the absence of explicit weights attached to each target and a specific scale of deviations, it is impossible to do a proper evaluation.

4. International Experience

a. Similar policies used widely in developed and developing countries

The inspiration for this policy is derived from the recommendations of the Second Administrative Reform Commission (ARC II).

In the words of Second Administrative Reform Commission (ARC II):

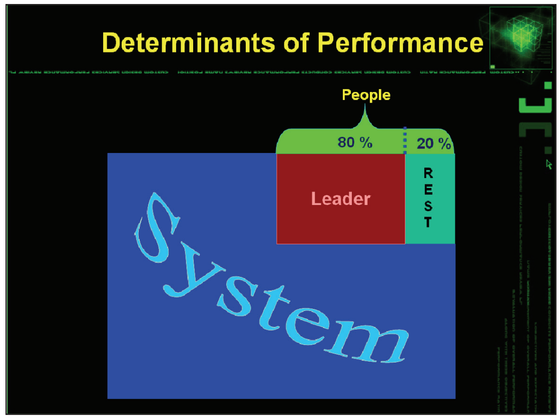
– *"Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems."*

– *"At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given."*

Similar policies are being used in most OECD countries. The leading examples of this policy come from New Zealand, United Kingdom and USA. In the USA, the US Congress passed a law in 1994 called the Government Performance Results Act. Under this law the US President is obliged to sign a Performance Agreement with his Cabinet members. In the UK, this policy is called Public Service Agreement. In developing countries, the best examples come from Malaysia and Kenya.

b. Importance of Management Systems

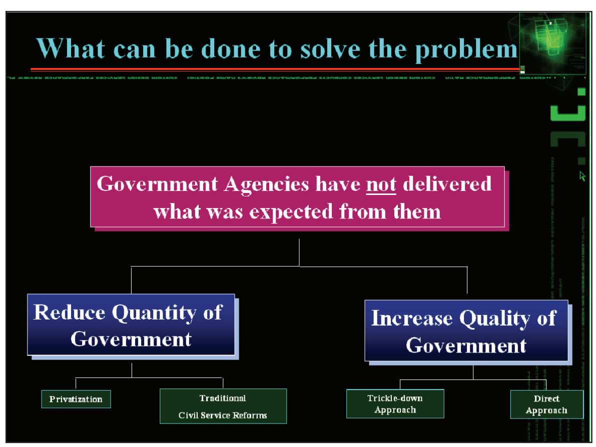
As depicted in the figure below, all management experts agree that around 80% of the performance of any organization depends on the quality of the systems used. That is why the



focus of PMES is on improving management control systems within the Government.

c. Shift in Focus from "Reducing Quantity of Government" to "Increasing Quality of Government"

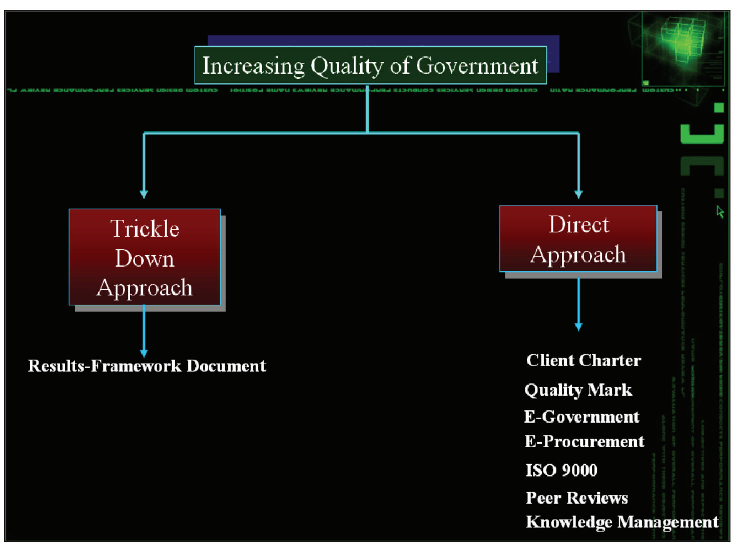
Figure below depicts a distinct world-wide trend in managing government performance. In response to perceived dissatisfaction with performance of government agencies, governments around the world have taken certain steps. These steps can be divided into two broad categories: (a)



reduction in quantity of government, and (b) increase in quality of government. Over time most governments have reduced their focus on reducing the quantity and increased their focus on improving the quality of government. The former is represented by traditional methods of government reform such as golden handshakes, cutting the size of government departments, outright sale of public assets through privatization.

The policies undertaken by various governments to increase the quality of government can be further classified into two broad approaches: (a) Trickle-down approach, and (b) Direct Approach.

PMES falls under trickle down approaches as it holds the top accountable and the accountability for results eventually trickles down to the lowest echelons of management. It creates a sustainable environment for implementing all reforms. The generic name of PMES is performance Agreement. These approaches have a sustainable impact on all aspects of performance in the long run. The Direct approach, on the other hand, consists of many instruments of performance management that have a direct impact on some aspect of performance. Thus these approaches are complementary and not substitutes for each other. In fact, PMES makes use of these direct approaches by making citizens' charter and grievance redressal systems a mandatory requirement for all government departments in their RFDs.



5. What has been the progress in implementation?

It was decided that in Phase I of implementation 59 ministries / departments out of a total of 84 will be covered as a pilot under PMES. Actions taken to implement pilot RFDs for January 1 – March 31, 2010, can be categorized into three broad categories:

(a) **System Design :** Reviewed international best practices and designed Guidelines and Checklists for preparing Results Framework Document (RFD); Created a Task Force of non-Government experts for reviewing the quality of RFDs.

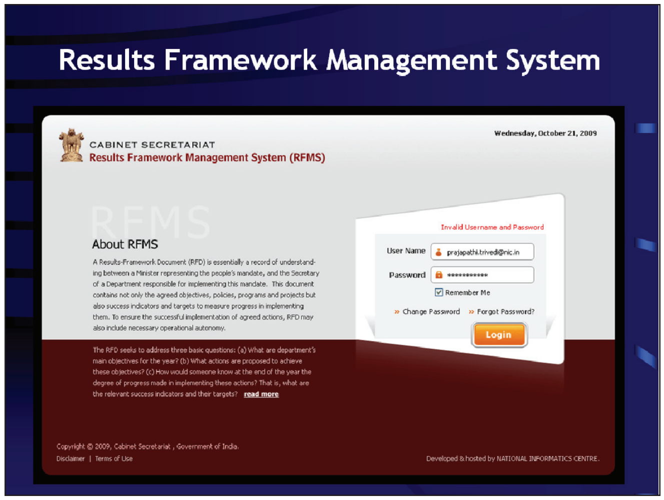
(b) **Capacity Building :** Conducted 13 intensive, hands-on training programs in collaboration with IIM Ahmedabad on RFD for around 500 senior officers of GOI; Prepared training materials and manuals

(c) **Implementation :** Received RFDs approved by concerned ministers; Organized meetings of the independent Task Force experts with 59 ministries / departments to provide feedback on their respective RFDs; Ensured that the revised RFDs are consistent with the suggestions of independent experts; Developed a software to automate monitoring and evaluation of performance based on RFDs.

All 59 ministries and departments have finalized their Results-Framework Document (RFD) for the last quarter of 2009-2010. This 100 % compliance in implementing the PMES was achieved as a result of intensive capacity building exercise and enthusiastic cooperation from all ministries and departments.

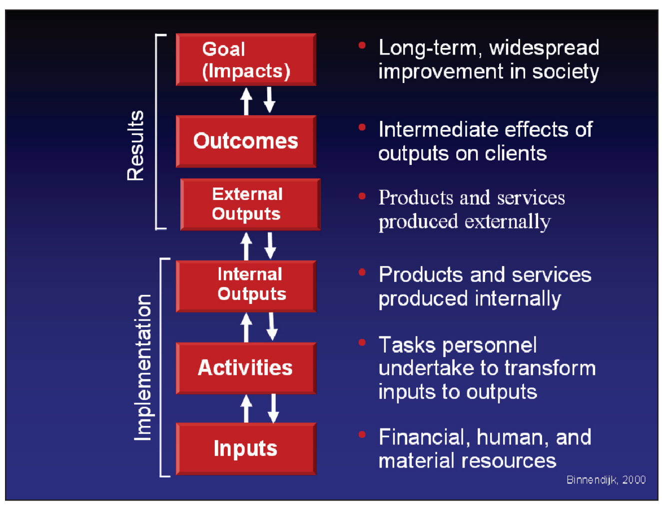
Use of Computer and E-Governance

Cabinet Secretariat has developed, in collaboration with NIC, powerful software to allow all transactions related to implementation of RFD to be carried on-line. This has already led to use of less paper and it is expected to eventually lead to a paperless environment for implementing RFDs. It is already being used by all departments on a pilot basis. From next year we will make a full transition to this system. The following figure presents a screen shot of the system.



6. Key Challenges

The following figure gives the typical results chain.



The following table analyzing the RFDs prepared by the 59 departments / ministries summarizes the quality of documents produced. From this table it is clear that the focus of most departments is on process-oriented indicators focusing on the lower end of the results chain. Therefore, one key challenge is to move the department up on this chain:

Average Number of Objectives per RFD	7.65
Average Number of Success Indicators per Objective	4.00
% of process-oriented Success Indicators	62.92 %
% of outcome-oriented Success Indicators	37.08 %
% of Success Indicators Dealing with Quality Aspects of Results	12.54 %
% of Success Indicators Dealing with Stakeholders	16.58 %
Planning Commission Procedures as a Constraint on Performance	41.87 %
Ministry of Finance Procedures as a Constraint on Performance	47.89 %

7. Next Steps

First round of pilot RFDs for the last quarter of 2009-2010 have been prepared and put on departmental websites. Second round of RFD (2010-2011) begins from March 5, 2010. For the performance management revolution to be complete, following key reforms have to be also completed in a time-bound fashion.

a. Implement Performance –Related Incentives recommended by 4th, 5th and 6th Pay Commissions

The Sixth Pay Commission was set up by the Government of India on October 5, 2006, and it submitted its report on March 24, 2008. These recommendations were considered by the Government and a decision was taken to accept them (with some modifications) as a package on August 29, 2008.

These recommendations can be broadly divided into two categories: (a) level and structure of benefits; and (b) performance related incentives. The former have since been implemented whereas the latter have not been implemented as yet.

Payment of incentives based on performance is not a new concept. The earlier two Pay Commissions i.e. Fourth and Fifth Pay Commissions had also commented on the issue of rewarding performance. The Fourth Central Pay Commission had recommended variable increments for rewarding better performances. The Fifth Central Pay Commission had recommended the scheme of performance related increments for all Central Government employees where an extra increment was to be paid to the exceptionally meritorious performers with the under-performers being denied even the regular/normal increment.

Given the central role that incentives play in improving performance of employees in public and private sectors, it is a matter of urgency to implement a performance related incentive scheme. The proposed scheme is intended to be budget neutral. The Cabinet Secretariat is working towards this goal.

b. Reform of the Performance Appraisal Report (PAR)

There seems to be widespread dissatisfaction with the working of the PAR system at all levels in the Government. There is a perception that the attempts to quantify and bring objectivity have not been successful. Most officers expect to get a perfect score of 10 and usually get it. Thus, creating a situation where every individual officer is rated excellent yet the performance of the department as a whole is not considered anywhere close to being excellent.

Even though the current PAR system is barely three years old, it is clear that it is also not achieving all its stated goals. The "General Guidelines for Filling up the Form" state:

"Performance appraisal should be used as a tool for career planning and training, rather than a mere judgmental exercise. Reporting Authorities should realize that the objective is to develop an officer so that he/she realizes his/her true potential. It is not meant to be a fault finding process but a developmental tool."

Contrary to expectations, the primary purpose of the PAR exercise seems to have become an instrument to judge officers. It is not seen to be playing any role in the development or training of officers. Thus urgent reform of PAR is also required and the Cabinet Secretariat is working towards it.

Pradip N. Khandwalla

Government Transformation Through Agencification

There are several critical problems of public administration in india. These are: unstable tenures of the operating heads of government bodies; lack of domain expertise in many of these heads; a mismatch between needed managerial competencies and personality traits for the job and the actual competencies and traits; a huge overload on the members of the elite services, especially the IAS; a highly inertial system clogged by rules and regulations and standardization; absence of incentives for good performance and penalties for inferior performance; absence of an inclusive performance incentive system; and stagnation and the lack of human resource development for the legions serving under their elite services lords.

In India, the tenures of the operating heads of most public administration bodies, such as district collectorates, district development offices, various departmental undertakings, agencies, and the public enterprises owned by the states are IAS officers, tend to be both short and uncertain. For instance, the average tenure of the district collector as well as the block development officer was 14 months in two backward districts of the State of Rajasthan (Shridharan, 1990); it was barely a year for district magistrates in the state of UP (Dhar, 1990); and during a spate of short-lived governments in UP, a BJP Government transferred over 450 senior officers, a Samajwadi Party Government transferred over 300 such officers, and a BSP Government transferred over 1250 officers in the three months it was in office (Shastri, 1999).

While the officers of the IAS and other allied services are put in charge of general department departments, they may be far less than optimal choices as heads of commercial bodies, or bodies requiring a good deal of domain knowledge, such as scientific and technical establishments, or heads of government bodies dealing with socio-economic development, especially because they are, more often than not, not selected on the basis of merit but on the basis of administrative convenience.

Psychological and other studies of IAS officers have revealed a big gulf between the personality structures needed in the roles (especially in roles for facilitating social development) and the actual reality. As Dhar has noted, on the basis of several studies (Dhar, 1999, p.324), "…the Service is elitist in character, low in values of modernization, sticks to bureaucratic behavioural values of formal authority, is rule oriented, impersonal, and displays poor accountability. It does not undertake risks, lacks initiative and is inadequate in responsiveness."

Then there is the problem of severe overload. In UP, a study indicated that the typical district magistrate chaired about 50 committees, including 30 committees dealing with rural development issues (Shridharan, 1990). Since meetings would not be held without the presence of the chairperson, decisions would keep being postponed. A joint secretary in the Central Government may not be less overloaded. In a study, Khandwalla found that a fairly typical joint secretary handled some 10 to 15 different departments and public enterprises (Khandwalla, 1990).

Besides the foregoing, a great deal of rigidity has been built into the administrative system by rules and regulations and standardized ways of recruitment, selection, purchases, bidding, reporting and so forth that makes the system inflexible in dealing with diverse and changing needs. In addition, there are minimal incentives for superior performance or penalties when performance falls short. Performance, when it is measured, is not measured in terms of the satisfaction of the needs of the citizens, or for the impact of government activities on disadvantaged groups, or the satisfaction of the employees of the government bodies, but in terms of meeting expenditure targets, and less commonly, meeting physical targets. Finally, below the elite services personnel, there is very little upward mobility and human resource development.

This cocktail of all these deficiencies tends to make Indian public administration somnolent. The consequences are tardy implementation of projects, programmes, and schemes, cost over-runs, poor quality of services provided by public bodies, high transaction costs of organizations and citizens when they have to deal with government bodies, and grave public dissatisfaction. Corruption inevitably creeps in to overcome roadblocks. The quality of life of the people and inclusive growth are the ultimate sufferers.

Agencification, a tool that evolved in the 1980s that now has got acceptance in various parts of the world, can address all of the foregoing ills of Indian public administration, and eliminate or mitigate them.

'Agencification' of Government

The most impact making step of what is now called New Public Management for revamping public administration has been the migration from bureaucratic administration to professional management of the bulk of the Government through 'agencification'. Britain has been the pioneer. A number of other countries have adopted agencification, though with country-specific variations. These include the likes of Canada, Singapore, New Zealand, Thailand, and Japan.

The British Government began setting up these agencies in the late 1980s (Commonwealth Secretariat, 1995). The basic idea was to carve out of government departments, bodies called executive agencies to carry out, under competitively selected professional managers on fixed tenures, specific executive functions within a framework of policy and resources provided by the relevant minister. This way, public policy continued to be made by the party in power while execution was left largely to these professionally managed specialized bodies in the public sector. By 1995, in Britain, about two-thirds of the chief executives of these agencies were recruited on the basis of open competition, and over a half of these were non-bureaucrats. These CEOs were employed on term contracts with performance incentives and enjoyed considerable operating autonomy provided in the agency's mandate document.

A small team consisting of civil servants identified each candidate for agency status on the basis of answers to some tough questions: *need the function be carried on at all; if yes, could it be privatized or contracted out; if no, would the agency be the best structure for it? If yes, the formation of the agency could be recommended to the Government.*

Once the agency was approved, its mandate, mission and objectives, structure, accountability etc., were crystallized into a 'framework document'. It spelt out the policy framework, the resources the agency could tap, and the constraints subject to which pricing and other operating decisions could be taken by the agency's CEO. The agency was required to publish its annual report and accounts. Ministerial responsibility for the agency to the Parliament was restricted to policy questions, not operations. Parliamentary questions on operations were answered by the CEO. The main contents of the mandate documents of British executive agencies included the agency's responsibilities, its standards and targets, its operating framework, the financial arrangements agreed to by the agency and the department to which it was attached, the annual performance agreement, and what was to be published in the agency's annual report and accounts.

An exhaustive evaluation of Britain's executive agencies indicated that by 2002, 75% of the former central government employees (totalling about half-a-million) were working in 127 executive agencies as the latter's employees (Alexander and others, 2002). These agencies were providing an unimaginable variety of services. agencies collected customs and excise duties, oversaw employment services and benefits, provided vehicle and driver licenses, issued passports, managed child support, operated prisons, ran R&D labs, did weather forecasting, and many other tasks. In size, these agencies ranged from 40 employees to 90000 employees. Several could raise own funding, fully or partially. These 'fund' agencies were not subject to advance parliamentary approval for their income and expenditure, but they were expected not to have deficits. These agencies especially became sharply aware of costs, and looked continually for ways to cut them without impairing their quantitative and qualitative service delivery targets.

Unlike bureaucracies, the agencies had the autonomy to hire and fire, and they recruited over 95 per cent of their staff. All new/renewed pay agreements with the staff and managers had to be performance-linked, and the agencies had the freedom to deviate from government pay-scales.

'Agencification' has worked in Britain and elsewhere. In Britain, the running costs of the Government, as a share of public spending, declined by over 10% between 1992 and 1995, partly because of the efficiencies achieved by executive agencies. A comprehensive review of executive agencies reported: "… executive agencies…brought about revolutionary changes in the culture, processes and accountabilities of those services delivered directly by central government." (Alexander and others, 2002, p.5). The report concluded that the agency model had led to clarity and focus on specified tasks. It had inculcated a culture of service delivery; the empowerment of frontline staff; greater accountability and openness; installed structures and systems appropriate to the operating context; generated innovations; produced stronger branding of the services offered; improved risk management; and resulted in greater tendency to bring problems out into the open rather than keeping them under the rug (pp. 17-18). Box 1 provides two examples, one from Britain and the other from Canada, of the transformation in work practices that followed the agencification of previously bureaucratic organizations.

How 'Agencification' Changes the Mindset and Operations of Government Bodies

Inland Revenues, Britain: In the 1990s, Inland Revenues was an executive agency responsible for the efficient collection of duties and direct taxes to the tune of $160 billion (Commonwealth Secretariat, 1995; Khandwalla, 1999). It also provided policy advice to the relevant ministers and valuation and other services. It was a huge organization of over 60,000 employees, and dealt with some 40 million tax-payers in 800 locations, and had a $30 billion (currently equivalent to about Rs.140000 crores) annual operating budget.

After its formation, it brought about a large number of changes. It replaced over 100 government grades by five broad bands, and new job descriptions tailor-made to its needs. It eliminated surplus staff, but on humane terms. It stepped-up training, and over 40000 employees were trained in providing better services to the tax-payers. It empowered lower-level staff with greater responsibility and accountability. It enhanced the application of IT to its operations. It outsourced the staff, buildings, and equipment related to IT support to another government agency for greater IT effectiveness. It became a lot more taxpayer-oriented, and changed from an investigative and 'giving orders' mindset to one of service and support. It publicized the Taxpayer's Charter that informed the taxpayers to expect from the agency fair dealing, helpfulness, accountability through publicized standards, and efficiency, and in turn revealed that the agency expected from the taxpayers honesty, accurate information, and timeliness in paying taxes. The Charter also informed what the aggrieved citizen could do to redress a grievance.

The agency took several concrete steps to become more taxpayer-oriented:

1. It merged tax assessment and collection in an area into a single location to reduce the hassles of taxpayers.
2. It organized over 200 Taxpayer Enquiry Centres to help taxpayers with information and advice.
3. It increased the use of Mobile Enquiry Centres to reach

the disabled and the people living in remote communities.

4. It designed a nation-wide telephone support service to provide taxpayers with access to free advice of experts in filing their returns and paying their taxes.
5. It re-designed forms and information brochures to make them taxpayer-friendly.

Canada Communications Group: Canada, too, set up numerous 'special operating agencies'. These were service units within government departments but had far greater autonomy, direct responsibility and greater flexibility for results than before. They were expected to provide more cost-effective customer service.

The Canada Communications Group (CCG) was an agency set up in 1990 that operated within the department of Public Works and Government Services Canada (Commonwealth Secretariat, 1994; Khandwalla, 1999). After 1992 CCG had to compete to get its printing and other communications related business from CCG's customers - federal departments and agencies – since they had the choice to go elsewhere if they found CCG's services unsatisfactory or excessively priced. In 1993, the employees ceased to be the employees of the Treasury Board, and became the employees of CCG. CCG became entirely responsible for personnel management. CCG management transformed its functioning:

1. CCG management kept the staff informed of developments and sought their participation in decision-making. The CEO gave presentations and held sessions with employees to explain the agency concept. A newsletter was started and information bulletins were issued to keep the staff informed.
2. Management continually stressed customer service, entrepreneurial thinking, calculated risk taking, taking responsibility, and sharing of ideas for improving services to the staff. An Employee Advisory Board and a Customer Service Council, with the CEO as a member, were set up to remove communications barriers between the management and the staff.
3. Exceptional customer service, productivity improvements,

performance beyond the call of duty, and cost-effectiveness efforts were rewarded.

4. As diagnostic efforts, CCG conducted employee satisfaction surveys to monitor morale and employee perceptions of the agency, its management and its responsiveness to staff concerns, etc. Partly on the basis of this feedback, CCG re-designed itself from numerous product-based divisions that frequently competed with one another, to larger divisions of related products/services. A Business Development Division was created.
5. CCG instituted its own service classification. The earlier 22 occupation groups (e.g., clerks, printers, purchasing agents, etc.) were abolished. In its place there was just one service classification with 17 levels. Thus, even a lowly clerk could rise to a senior management position on the basis of merit.
6. CCG stressed product/service quality at competitive prices. It initiated a Service Quality Management training programme for all staff members.
7. CCG carried out customer satisfaction studies, with focus onCCG's business, competitiveness, product/service growth potential, etc. Accounts executives were appointed for specific clients and market segments to push sales.

In a customer survey conducted in 1993, 90 per cent expressed satisfaction with CCG's services.

Both the cases in the Box illustrate what a transformation in the mindset of managers and employees, and in the organization's operations takes place with agencification. These two cases are not unique. There are many other documented cases of similar transformation. As a survey of British executive agencies concluded, "The agency model has been a success" (Alexander and others, 2002, p.10).

The executive agency is not a policy-making body; but it is by now a time-tested, highly effective *executing* body in the public sector, analogous to the self-contained, quasi-autonomous division of a corporate body. 'Agencification' seems to represent the best hope of making the machinery of the governments in India efficient, economical, sensitive to citizens' needs and staff needs, clean, objective and agile. This it promises to do basically by transforming bureaucratic management into professional, stakeholders-sensitive, performance-oriented semi-autonomous management. At the *minimum*, each executive agency ***must*** have the following features:

1. A specific mandate that spells out the agency's mission and objectives, and an annual MoU-type mechanism for control and accountability purposes that spells out the agency's deliverables for the year (the basis for its annual evaluation) and the financial and other support the Government would provide to the agency.
2. A professional as CEO, with domain expertise, selected on a competitive and transparent basis by a selection board consisting of competent professionals, domain experts, management experts, and seasoned administrators. The head must be appointed for a fixed tenure, and the appointment should be contractual.
3. The pay of the head must be linked, at least partially, to clearly spelt out performance indicators.
4. The head must have considerable autonomy, subject to the agency's mandate, to organize the agency's activities in a way that is most likely to achieve the agency's goals within budgeted costs and timelines. This autonomy includes hiring and deploying the staff the agency needs, and paying and rewarding staff (within broad mandate guidelines) in a way that best achieves results. The agency also must have substantial financial autonomy (again, within broad mandate guidelines) to raise funds so as to reduce the burden on the Government.
5. The agency must attempt to provide its clients 'best value for money'. This it can do by comparing its cost of providing a service with what the cost would be if the service were to be outsourced. If there is a substantial gap, either it should take steps to eliminate the gap, or outsource the service.
6. The agency must specify publicly what standards of service its clients can expect, and there must be an

effective mechanism available to an aggrieved client for the redress of grievance should the client feel that the standard is not met.

7. The agency must have an oversight board that consists principally of domain experts, representatives of the agency's principal stakeholders (including employees and 'customers'), the CEO, full-time functional directors who are professionals and selected in the same way as the CEO, some eminent members of the civil society, and, of course, the representatives of the ministry to which the agency belongs. This oversight board must assess the performance of the CEO and top level executives, and decide on their performance-linked bonuses.

Why is this form so effective, especially in comparison with babu-run bureaucracy? Organization research indicates that organizations differentiated by levels of authority, functional and role specialization, multiple operating cultures, delegation of authority, multiple locations, and so forth must also deploy powerful integrative mechanisms for high performance (Lawrence and Lorsch, 1967). The executive agency, when it operates across the nation or a state, is bound to be highly differentiated. But it has some quite powerful integrators in the design indicated above, namely, a spelt-out mandate that the CEO and his/her team members clearly understand, a performance management system that tracks the performance of all functions, roles and levels so that the organization remains focused on its mandate, performance incentives, close interaction with the 'customers' of the organization that facilitates keeping to the agency's mandate, and a stakeholders' board that also exerts constant pressure on the management for performance along the lines of the mandate.

Equally important is the freedom the agency has to mould its management style, strategy, operations and systems to its specific requirements, a freedom usually not available to bureaucracies. The professional manager head of the agency brings to the organization a variety of skills in finance, personnel management, operations management, marketing (including social marketing), and formulation of growth and competing strategies, generally in short supply in the babus. He/she also has domain expertise and a stable tenure, both usually absent in the babus who head government departments. Finally, the executive agency system brings into governance transparency, meritocracy, and accountability for results that can raise the credibility of the Government from its present low levels.

Candidates for Executive Agency Status in Indian Governments

In India, a very wide range of governmental activities, currently bureaucratically managed, can be entrusted to agencies. Based on international experience both in affluent and developmental states, it may be feasible to entrust the following activities of the **Union Government** to semi-autonomous, professionally managed executive agencies:

1. All development programmes/projects/missions relating to poverty alleviation, rural development, industrial and agricultural development, urban renewal, infrastructure development, health, education, population control, natural resources etc. funded by the Union Government
2. All promotional bodies (tea, coffee, exports, etc. boards).
3. All commissions (like the Public Service Commission) and bureaus (such as the Bureau of Public Enterprises).
4. Quasi-judicial bodies like tribunals, vigilance.
5. Sector-specific regulatory bodies like SEBI, TRAI, the registrar of companies, bodies for drug control and control of industrial pollution.
6. Bodies that provide services to the rest of the Government like the government printery.
7. R&D institutions and other technical/academic/quasi-academic institutions owned by the Government.
8. Treasury, currency printing, accounts, purchases and stores, personnel administration, records.
9. Quasi-commercial departmental undertakings like the Indian Railways and the Post Office.

Indeed, other than apex level administration, or activities related to foreign or international treaties and inter-state relations, or activities in which the political masters need, for security or other reasons, to be very actively involved, or activities that bestow punitive powers on the functionaries such as levying penalties or prison terms, almost all other governmental activities can be delegated to executive agencies.

At the level of state governments, too, based on international experience, a large number of government bodies can be turned into executives agencies[1]:

1. **General administration** –e.g. accounts, treasury, personnel administration, estate maintenance, land records, land revenue, collection of taxes (e.g. property tax, sales tax, octroi, VAT, etc.).
2. **Security administration** - e.g. prisons, civil defense directorate.
3. **Public service organizations** - e.g. employment exchange, legal aid, water supply sewage collection and disposal, and other municipal services like street lighting.
4. **Quasi-judicial organizations** – e.g. tribunals, vigilance.
5. **Sectoral regulatory and administrative bodies** – registrars/boards for cooperative societies, industries, drugs, parks and gardens, education, pollution.
6. **Intra-governmental services** – e.g. printing and stationary, government press.
7. **Development-focused organizations** – e.g. directorates of agriculture, animal husbandry, social welfare; district industrial centres; infrastructure development board, investment promotion board, coffee board.
8. **Specialist academic or quasi-academic bodies** - e.g. state Sahitya Akademi.
9. **Organizations providing inputs into policy making, executing policy, monitoring, reporting** – e.g. various commissionerates, such as of industries, tourism, health, education, etc.

10. **Project/mission organizations** – e.g. for watershed development programme, adult literacy programme.
11. **Departmental commercial undertakings** – e.g. state transport corporation, electricity board.

In the Indian context, Dr. Yoginder Alagh, former minister and Planning Commission member, has suggested the need for at least three different kinds of executive agencies: 'corporatist', that deal with activities that are quantifiable and semi-commercial in nature, such as the Post Office; 'mission' agencies that manage a national or state-level mission, such as NRIEGA; and 'institutional' agencies that are quasi-academic in nature, such as research institutions run by the Government. Inevitably, they would need to be managed differently, and therefore they need distinctive kinds of CEOs. The corporatist agency needs a professional akin to the one that runs a Central public enterprise; the mission agency needs an NGO-type dedicated to the relevant cause who is also an excellent manager; and the institutional agency needs a type like the director of an IIT or IIM.

Examples of Identifying Potential Executive Agencies in the Union Government

The key questions for identifying government bodies for executive agency status, or for carving out executive agencies from bureaucratic departments are: can the government activity or activities in question be dispensed with altogether in the light of contemporary realities (e.g. liberalization of the economy, or sharp decrease in priority, or much better alternatives available in the private sector or the civil society)? If so, the activity or activities need to be dispensed with, and the question of entrusting it or them to an executive agency does not arise. If the activity or activities should remain with the Government, should they be departmentally managed because of security or other reasons? If the answer is no, then the formation of an executive agency becomes important.

The late Mr. Anil Shah, a retired IAS officer, with extensive experience in rural development while in service and also after superannuation, as well as, awareness of NPM approaches, helped the writer to do a mock classification of the nearly 30 activities carried on in the three departments of the Ministry of Rural Development, Government of India (see 'Government of India (allocation of Business) Rules 1961 (as amended up to July 12^{th}, 2006)') on the basis of these questions. According to Mr. Shah, no activity needed to be stopped altogether. However, except for six activities involving coordination with a foreign organization, legal matters such as land tenures, land records, land acquisition, recovery of taxes, such as, land revenue, matters relating to succession to agricultural land holdings, and matters pertaining to the Registration Act 1908, *all the* other 24-odd activities could be assigned to, say, five executive agencies reporting to relevant joint secretaries, with consequential improvements in efficiency, quality of services provided, cost effectiveness, innovativeness, and performance accountability. Thus, for example, in the Department of Rural Development, CAPART, National Fund for Rural Development, matters relating to rural employment or unemployment, and integrated rural development could be consolidated into one 'mission' agency; rural housing could be entrusted to a 'corporatist' agency; road works and rural connectivity could be entrusted to one more 'corporatist' agency.

Some Concerns about Agencification

A misgiving may be: if so many 'babus' from government departmental bureaucracies are transferred to the executive agencies, could they turn dynamic and result oriented in the executive agencies? This would depend heavily on the quality of their CEOs. Research on over 120 cases of turnaround from sickness, both of government and private sector companies in India and abroad, suggests that given appropriate leadership, the conduct of their employees changes hugely, with consequential improvement in the performance of the organization (Khandwalla, 2001).

A mechanism along the lines of the Public Enterprises Selection Board that shortlists the CMDs and functional directors of the Union Government's public enterprises needs to be set up to find CEOs for the executive agencies. PESB is a small body of professional administrators and managers. While PESB looks mainly at senior managers of public enterprises and secondarily at senior members of the all India civil services, the body for selecting CEOs of executive agencies needs to look outside the Government much more aggressively, that is, at talent available not only in the elite services, but also in the civil society, the institutional sector, the private sector and the corporate public sector, and select on a competitive basis the CEOs of the executive agencies.

Besides the talent in the elite services, would there be enough talent outside the bureaucracy to man the top posts in the agencies? If, say 2000 agencies are set up in the Central, state, and local governments in India, about 6000 top-level personnel (CEOs and full-time directors) may need to be found. The talent outside the Government is fortunately very large. There are hundreds of thousands of NGOs, of which possibly 1000 are professionally and ethically managed employing thousands of dedicated professionals. Besides these, a number of large business houses have set up corporate NGOs that are also professionally managed. Thus finding the right heads for mission-type agencies should not be a problem.

There is a similar abundance of managerial talent in institutes of excellence in the public and private sectors, and so top level manning for the various R&D and academic 'institute' executive agencies also should pose no big problem.

The entrepreneurial and professional managerial talent in the public and private corporate sectors is extremely large – just the Central public sector has around 100000 managers, and about that many managers are there in public sector banks, insurance companies etc. The top level executive pool in the corporate private sector may be even larger than in the corporate public sector. Besides these, there are literally millions of entrepreneurs in the country running manufacturing and service units. Finding the CEOs and other top personnel for the 'corporatist' executive agencies, too, should pose no problem, provided the remuneration packages are attractive enough.

Would professionally managed entities like executive agencies work in the Government sector in which political interference, corruption, and bureaucratic inertia are rife? Executive agencies resemble Central Government public sector enterprises and banks in some important ways. Like the executive agencies, the CEOs and functional directors of Central PEs and banks are competitively selected, are on a contract appointment, the boards of these enterprises contain a number of part-time directors who are subject experts and/ or professional managers, as also representatives of key stakeholders. Their CEOs enter into MoUs with their respective ministries analogous to the way the executive agencies do, and there is a performance evaluation system for the enterprises, which too, resembles the one for executive agencies. If these public enterprises perform well in our context, then there should be no reason why executive agencies cannot operate effectively in Indian conditions. Data on the comparative performance of India's two corporate public sectors – the one owned by the Central Government and the other owned by the states – indicates that professionally managed executive agencies can operate effectively in India. During the period 1990-1 to 1998-9, the aggregate net losses of the 750-odd PEs owned by the states averaged 17% per annum compounded (Planning Commission, 2002), while the aggregate net profits of the 240-odd PEs of the Union Government averaged 14% per annum (Bureau of Public Enterprises, 1995-6). There are major differences in their management structures that explain why the performances of these two sectors differ so widely. While the Central PEs are professionally managed, the states-owned PEs have CEOs who are mostly IAS officers on short, uncertain tenures and their chairpersons are politicians. There are seldom any professional full-time directors or eminent professionals as part-time board members; the operating autonomy is vitiated by gross bureaucratic and political interference; and there is no MoU device that fixes accountability. Thus, professional management in the public sector vastly outperforms bureaucratic management when it comes to managing enterprise-like entities. Besides, there is evidence that executive agency-like public bodies yield excellent performance in Third World conditions, as in the case of CONAFE in Mexico and NDDB under Kurien in India (Paul, 1982).

Concluding Comments

India has public agencies and undertakings galore; they work well when the operating conditions resemble an executive agency, and the head is, by chance, an outstanding leader. But this is not right. The autonomy of such bodies should be *contractual* and *enforceable*, and not depend upon the proximity of the head to the Prime Minister or the Chief Minister. Beside, the head of the body should be an outstanding leader, not by fluke, but because the meritorious selection of outstanding leaders has been institutionalized.

There is a huge potential for improving the performance of these bodies by modifying them to incorporate the executive agency prerequisites. The beneficial transformation of the way the Indian state functions with 2000 professionally managed agencies is a distinct possibility, and one that does not require billions of rupees of investment. But it does require the commitment to the idea on the part of the political masters and the senior bureaucrats of the Government, and of the civil society and the intelligentsia.

Notes

1 I am indebted to Shri Sunil Parekh for help in this classification

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R. A. Mashelkar

Technology Led Citizen – Centric Governance

The Finance Minister of India, in his budget speech for the year 2010, enumerated three grand challenges that the country faced. The first two were related to achieving double digit growth and inclusive development. As regards the third, he said,

"The third challenge relates to the weaknesses in government systems, structures and institutions at different levels of governance. Indeed, in the coming years, if there is one factor that can hold us back in realizing our potential as a modern nation, it is the bottleneck of our public delivery mechanisms."

India needs a world class governance at all levels, national, state and local. Three cornerstones of high quality governance are fairness, accountability and transparency in all endeavors in the public domain.

The power of emerging technology in creating world class governance systems is in evidence today all around the world. Technology has been shown to significantly influence democratic participation, reduce civic illiteracy and voter apathy and become a powerful driver for political discussion, education, debate and participation

The Finance Minister has recognized the criticality of technology in governance in his 2010 budget speech itself, by further adding,

An effective tax administration and financial governance system calls for creation of IT projects which are reliable, secure and efficient. IT projects like Tax Information Network, New Pension Scheme, National Treasury Management Agency, Expenditure Information Network, Goods and Service Tax, are in different stages of roll out. To look into various *technological and systemic issues, I propose to set up a Technology Advisory Group for Unique Projects under the Chairmanship of Shri Nandan Nilekani".*

Extraordinary efficiency in delivery of public services and public goods can be brought about through the application of modern technology. This has to be coupled with modern tools of management based on progress through partnership of various administrative disciplines, administrative-customer relationships and administrative-expert interactions.

The present essay is focused on the emerging role of technology in governance, especially in the light of the experience worldwide. Technology, although a powerful ally, can take us only as far as the people, who use it as a transformative tool. The central and several state governments must be applauded for setting aggressive agendas on e-governance. But 'e-governance' does not automatically become 'good governance' if the issues of people are pushed into the background. So we begin this essay by first focusing on the people.

People before Technology

The people, who are involved in the process of governance, must have the right quality of not only 'minds' but also, the 'mindsets'. A courteous and human behavior on the part of government functionaries, with a sense of objectivity and propriety in decision-making is fundamental. There should be a concern for the needs of the weaker sections of the society, especially when they clash with the interests of the influential sections of the society; There should be a positive 'problem solving' attitude accompanied by the highest standards of ethics and integrity.

The mind is like a parachute. A closed mind is like a closed parachute. It becomes dysfunctional and can only crash to the ground when released from a height. An open parachute can perform the function by elegantly landing on its target. A high learning capacity with total openness to the views of the others and sensitivity to the benefits of tapping the expertise and experience of experts outside the formal framework of government departments such as academia, media, practicing professionals, NGOs etc. is very important. That is why the appointments of technocrats from Sam Pitroda to Nandan Nilekani assume a special significance.

If the 'front end' of public domain focuses on the provision of public services and goods, the 'back end' relates to organizations, people, systems and processes. Therefore, to obtain high quality outcomes, the nature of organizations and the design of the process and factors that lead to optimization of capacity and human involvement are important. With the inclusion of civil society as a key part in governance, citizen-centredness takes a pivotal role.

Fundamentally, we need to change the image/perception of our public administration system in terms of its structure, role, system, rules, personnel, work environment and response.

Immediate Challenges

There are several challenges that await us. In terms of structures, how do we move from monolithic and hierarchical structures to manageably autonomous structures? How do we change the role itself from that of a regulator and a provider to a largely facilitative one? How do we change the current mistrust based system design to one that is based on trust? And further, from non-transparent, non-responsive and non-accountable systems to ones that are transparent, responsive and accountable systems? How do we change the current complex and archaic rules to rules that are simplified and understandable? At the same time, how do we create rules that are flexible and not inflexible, and dynamic and not static? How can our responses that are presently reactive be made proactive? And finally, how do we change the current uninspiring and lethargic work environment to an inspiring and ever energizing one?

Managing Diversity, Complexity And Redundancy

The first challenge in a large country like ours is about managing diversity. This diversity arises due to the existence of multiple implementing agencies, a very wide spectrum of socio-economically relevant programmes and the peculiarities of our federal structure of governance.

The challenge is also about managing redundancy. Look at the laws that govern the day-to-day lives of citizens. The Indian Telegraph Act is from 1855. It governs all the telecommunications and broadcasting regulations in India. The Indian Penal Code is from 1860. Indian Contract Act was enacted in 1872. The Official Secrets Act is from 1923. The Banking Regulation Act is from 1949. The acts have been amended and interpreted many times. But the context decides the content. As the context changes, the content must change. Therefore, the real challenge is to apply the laws to new situations that could not have been even imagined when the laws were written. A subset of laws, therefore, must be freshly architected to suit today's needs.

There is also an urgent need to reengineer the age old processes that have been left behind by the British Raj. These have been only compounded by new layers that have been added from time to time by the Indian bureaucracy. Simply digitizing the existing processes would only add to the complexity and confusion. A serious relook and dramatic reengineering of the current government processes is required.

It is important to develop and enforce citizen/business entitlement standards uniformly for all central and state ministries. Development of common standards will lead to reduction in diversity and complexity.

Written Code On Good Governance

Apart from laws, procedures, precedents and systems, there must be a written code for "Good Governance" in administration (on the lines of Corporate Governance code adopted by industry). The code should enumerate the principles and canons of good governance and the results expected thereon. Laws, procedures of systems, etc. must be aligned to these principles and canons. The supremacy of the code of good governance must be asserted, not the laws and procedures.

Can we not learn from several systems that exist today in other spheres of life? For example, as scientists, we made sure that laboratories compulsorily designed and adopted Good Laboratory Produces (GLP). Manufacturing industry always went for the design and adaption of Good

Manufacturing Practices (GMP). There is no reason why in administration, we should not think of a new concept of Good Administration Practices (GAP). These should be formally set down, articulated, enforced, widely publicized and made mandatory across the board.

GAP could be based on the following ten principles.

(i) Recognizing the freedom of information (intra and inter) as a fundamental right;

(ii) Complete transparency;

(iii) Fair and simple procedures;

(iv) Modern record keeping systems;

(v) Acting consistently and avoiding discrimination;

(vi) Giving cogent reasons for all decisions. If a decision is unfavorable, apart from making it reasoned, also providing information about the possibility of a review;

(vii) Providing time bound response;

(viii) Providing information in a clear and understandable form

(ix) Proactive action orientation;

(x) Judging administrative efficiency solely by objectives and results rather than mere adherence.

Developing Mindsets and Not Just Minds

The issue of the importance of the development of the minds and the mindsets is best exemplified by being anecdotal.

India has a huge problem of adult illiteracy. With a few hundred million illiterates, it will take over 15 to 20 years to make the entire country literate. Can we do it in 5 years? Yes, only new technology can do it. Tata Consultancy Services, under the leadership of F.C. Kohli recognized as the grandfather of Indian IT industry, developed a tool called Computer Based Functional Literacy (CBFL) which could make an illiterate individual read in six to eight weeks. This tool has been well tested in terms of its effectiveness.

The cost of making an individual literate through CBFL is only Rs 100, since its application is based on the use of discarded old computers, which are made available free. Kohli imported 10,000 computers that were donated by a well-wisher of CBFL, who had also paid the shipping charges. When the computers landed in India, the issue of customs duty came up. The government official dealing with the case saw the rule book and ruled that no customs duty exemption was possible. Why? Because the rule book showed that the customs duty exemption was available when old computers were imported for 'education' Since the word 'literacy' did not appear in the rule book and only the word 'education' appeared, no duty exemption was allowable for computers imported for the purpose of illiteracy removal!

So here is the battle of the Indian mind vs the Indian mindset. An Indian mind created an innovative technological tool by which India could become literate within five years. The Indian mindset did its best to see that we remained where we were.

And this is where the 10th principle in the Good Administrative Practices (GAP) that has been proposed above can make a real difference. Because it states that the administrative efficiency is judged solely by objectives and results rather than by mere adherence to the rules.

The above is a small illustration of a problem of the development of the mind, as well as, the mindset. But the dimensions of the real problem are much bigger and it is best illustrated by looking at the issue of civil servants.

The report of the Civil Services Examination Review Committee (October 2001), which was set up by the UPSC observed as follows.

> *"It is very crucial to understand what happens to the values and integrity, motivation and other qualities assessed at the time of recruitment after 10 years and 20 years of service. It is said that initially many of the officers have positive values, but they change during the course of service. When they appear before the UPSC interview boards, most of the candidates are idealistic, bright, committed and sincere. However, once they join the service, within a period of time they seem to become cynical, negative and possibly even corrupt. Even the most outstanding officers feel frustrated after their idealism has been dimmed by the systemic*

realities. Some of them succumb to pressures easily. Therefore, a deeper insight into the systemic mechanism is required to ascertain the causes affecting this change and take remedial action".

We should not expect that mere administrative changes will bring about the mindset changes as well. A prerequisite to the success of any reforms is directly linked to the mindset changes (behavior and value perception) that must take place simultaneously, but which are far more complex to track. It is too simplistic to conclude that a well thought out plan for institutional changes would automatically bring about mindset changes that would go well with the aspirations and the objectives of the system.

Before moving over to the main theme of this essay, namely the role of technology in governance, it was considered important to emphasize the issue of minds and mindsets, since that alone will ultimately determine the effectiveness of technology in helping to create world class systems of governance

Role of Technology In Civic Engagement

For achieving good governance, it is important to improve civic engagement, which has three distinct dimensions, namely that of political knowledge, political trust and political participation. Political knowledge represents what people learn about public affairs, political trust concerns public orientation of support from the political system and political participation reflects conventional activities designed to influence government's decision-making process.

Let us begin by looking at the bigger picture on how technology can influence civic engagement. It is not an exaggeration to say that Internet is the new electronic cradle of democracy. Today, web discussion forums, newsgroups, blogs, wikis and social networking services are becoming transformative instruments that have enhanced public participation in the process of governance

The Obama administration has set up several websites that provide citizens access to information such as how tax dollars are being spent, crime figures, energy consumption and even the activities of the administration.

The administration's move to set up these websites is not just about providing more information, but to enable innovation. It seeks to engage citizens in co-creating ideas by tapping into vast amount of knowledge that communities possess.

Internet makes citizens more knowledgeable about the government and about political issues. Further, the interactivity of the medium allows for new forms of communication with the government and the elected officials. Opening access to legislation even at the formative stage, government's internal policies and its agenda make the process of government more transparent, potentially enabling and encourage greater informed participation both online and offline.

Internet and Democracy

It is remarkable that the design principles that were established early in the evolution of the Internet had the principle of democratization of information embodied in it implicitly, if not explicitly. The lack of centralized control makes it tempting to assume that censorship or other attempts at control will be unworkable.

Internet moved fundamentally from mediated to unmediated information communication. Our society first moved from one to one communication such as through letters or landline telephones to the use of radio and television. Internet took a leap forward by moving communication into a "many-to-many" channel. This many-to-many communication, unmediated and encompassing a huge universe of users has helped to strengthen the process of democratization.

The real power of this type of communication is obvious. In the process of evolution a massive digital network has provided universal and inexpensive access to a wide variety of information through a communication media, which has overcome the limitation imposed on broadcast media including newspapers and radio.

Citizens' associations play an important role in the democratic process, providing a place for individuals to learn about public affairs and become a source of power outside the state. Public-policy researchers have shown that static forums have a number of barriers, such as the need to meet in one place at one time. Internet, due to its ability to help people collaborate or meet in an asynchronous manner, without physically being at the same place at the same time, greatly enhances participation.

In India, there is a big challenge of large distances and large numbers. Internet is a platform which has successfully eliminated the constraints of distance. Added to this mobile technologies, such as cell phones are now adding to the process of making a difference.

Around the world, Internet is being increasingly used now as a political campaigning tool. Candidates are also beginning to use social networking sites to reach younger audiences. E-mail chains and political blogs have had a major impact with online campaigning. Views are expressed by adding comments to political blogs or web pages. Point-and-click advertising (interactive advertising online) have improved upon the use of traditional mail or television campaigning.

With 55% of the Indian population less than 25 years of age, Internet is likely to have an expanded influence in India. Younger people absorb Internet technology with ease and are more likely than older citizens to use web-based applications and access political information. However, there is a need for innovative policy measures to use the capacity of new media, including the Internet and social networking websites, to engage young Indian population in the democratic process.

Technology Led Social Networking

Contemporary technologies, such as electronic peer to peer networks, collaborative software, wikis, Internet forums and blogs are emerging as powerful tools that are catalyzing social networking. This will influence the ensuing practices of governance significantly.

The development of novel tools has empowered bloggers, webmasters and the owners of social media sites. From starting as an information-based device, the Internet has moved to the realm of social networking which does not require a top-down approach.

By leveraging the scope of new technologies and blending the benefits of accessing the web on the PC and on the mobile telephone, it is now possible to create virtual communities that produce and exchange information on shared interests, goals and challenges.

Social networks can potentially act as a medium to help the government to be responsive to the public it serves. Government and its agencies can share information with citizens that share common interests and concerns.

Tweeting by some energetic ministers had bcome a big issue in the Indian media. Elsewhere in the world, tweets are getting integrated into governance. In the state of Rhode Island, for instance, General Treasurer Frank T. Caprio is offering daily tweets of the state's cash flow!

Internet is acting as a novel tool for social self organisation. Action triggers, for instance, is a novel concept designed to allow webmasters to mobilize their viewers into action without the presence of any defined leadership on the ground.

A number of non-governmental sites have developed cross-jurisdiction, customer-focused applications that extract information from thousands of governmental organizations and assembles them into a system that brings consistency of data across many dissimilar providers. It is convenient and cost-effective for businesses, and the public benefits by getting easy access to the most current information without spending tax payers' money are enormous.

Emergence of M-Governance

The great promise of technology demonstrated above can get circumscribed by both IT illiteracy, as well as, the existence of the digital divide which segregates those with access to the medium of e-democracy and those without. However mobile telephony is changing the scenario so dramatically that the term m-governance that is the governance influenced by the mobile telephony is gaining currency.

Mobiles are rapidly revolutionizing our approach to and understanding of public participation in governance. Mobiles have already demonstrated in many countries around the *world that in the hands of a vibrant civil society they are powerful tools that hold government and public institutions accountable, their interactions transparent and their transactions efficient. Conversations inspired, produced, stored and disseminated through mobiles are rapidly changing the manner in which we interact with the government and participate in the mechanisms and institutions of democratic governance.*

One can see this powerful influence in far flung regions, from Zimbabwe and Kenya to China and Kuwait. One can see this influence in wide ranging areas, from electoral processes to women's suffrage to voicing dissent against oppression.

Realising The Potential Of M-Governance

There are several challenges that still need to be overcome to realize the true potential of m-governance. The issues are linked to the availability of infrastructure to overcome limited network coverage and quality of service. It is linked to financing and affordability in terms of pricing sensitivity, need for innovative business models and billing plans, total cost of ownership. They are linked to content in terms of creation, management and promoting relevance. Then there are issues of laws, policies, and regulation. The following are illustrative of some of challenges that lie ahead.

The first one, as an illustration, is one of the technological barriers that still need to be overcome. The mobile web has to work differently from the way the web does on the PC. The devices are not amenable to tedious Google searches. There is only a limited screen space to display information. In India, for instance, there are issues of diverse languages, with some scripts that are larger in font sizes, which, therefore, require more screen space or alternatively having to accept the handicap of receiving reduced information on smaller screens than is possible with English fonts. There are also issues of literacy which need to be addressed.

The second technological problem, again as an illustration, is that with many *low-end handsets found in developing country markets there is no browser of any kind.*

GPRS (General Packet Radio Service) or any other form of data transmission is not supported by cheaper handsets.

The user has to perceive the value in being able to access content and applications via the mobile telephone. The special challenge is to create value for the population that is at the bottom of the pyramid.

This value can be created by imagining the provision of information and services that can be transmitted through mobiles. Citizens must feel that they have received value by using the web facility on their mobiles and are now equipped to access information, participate in local government and produce information for the benefit of the local community. They must feel empowered enough to be able to access added value in as user-friendly way as can be done through social networking sites such as Facebook. If this happens, then the use of Web enabled mobiles would go up exponentially. A completely new set of consumers would then agree to bear the cost of owning such a web-based mobile telephone and also paying for additional costs even more in an integrated into a product even when data changes.

Telecom companies can play an important role in realizing the true potential of m-governance. Today, many downloads and other content leveraged via high speed mobile Internet are linked to entertainment. Even so there is a visible demonstration of the manner in which farmers have received a better deal through Internet enabled mobile services. Financial services becoming available through mobiles may soon become a reality in India. But a conscious effort, through an innovative public-private partnership is needed to attain the objectives of good governance and to meet the twin objectives of fulfilling both the public good as well as the private good.

Only when these challenges are met can mobiles be positioned as tools for empowering the community by creating an eco-system of complementary technology. The most useful to date is SMS. Add to this vernacular Interactive Voice Response (IVR) service, which requires only limited literacy and wholly SMS driven informa-tion retrieval, and one has a range of technologies that overcome the limitations of existing mobile handsets.

SMS and IVR can hook into real time, live data sources on the Internet (e.g. at its simplest, weather forecasting on-demand over voice or SMS for fishermen). Mobiles with just SMS can provide information on the web (for example, Twitter-esque services) that can in turn provide feedback. Government Information services that use IVR, are free calls, that enable all consumers to access information otherwise available through the web only. The network of Cybercafes can function as stations to access printed documentation which could be printed on demand through innovative SMS services.

Universal Identity Card

Ever since independence, there has been no shortage of high powered committees and recommendations to establish high quality governance systems. Indeed some of India's best minds have been engaged in creating ideas to deal with these challenges. The problem is that it is not the power of ideas but the ability to undertake proper execution that matters. Further, it is the speed, scale and sustainability that matters. And that is where India has been lacking all along. But sometimes great ideas to emerge and one such path breaking idea which may begin to change the fundamentals of governance in India relates to the Universal Identity Card.

Indians have been using multiple identification systems. They include, for instance, passports, Permanent Account Numbers (PAN) for income tax, Voter Identity Cards to register and vote in elections, ration cards, and so on. The multiplicity of identity cards also renders the provision of services difficult to monitor and even deny benefits to the universe of those who should benefit from the scheme. Leakages in the system caused by corruption, are huge drawbacks that defuse control of supervisory systems

A single ID that allows all government-citizen relationships to be managed effectively and also provides access to services and transparency in the allocation of benefits only to the intended clientele is potentially a great solution. Such a universal ID card would reduce the chances of corruption and eliminate intermediaries.

There are, of course enormous challenges in achieving this. They are technical, political and social in nature, not the least being the creation of identity cards that are tamper-proof. This requires reliance on advanced technology. In the past, India would have been looking to the advanced nations which is not the case anymore. It is a matter of pride that the development of a world class indigenous "non-clonable" technology has already taken place in the country. There is also the challenge of managing the massive database that will encapsulate data on a billion plus population. The additional challenge therefore is to keep costs low while allowing for multiple applications while having the capacity to accommodate new applications when the need arises.

India will have the distinction of being the first country to issue a single ID for a billion plus population. While it looks like an enormous challenge but it would be recalled that India had the distinction of using electronic voting machines on a scale that the world had never witnessed. And imagine the impact of introducing a single ID on such a massive scale in the age of mobile phones and ubiquitous connectivity. There is an opportunity for eliminating layers of bureaucracy that lie between the government and its citizens.

The government of India must be congratulated on taking this first step of providing a unique identity to every Indian, regardless of religion or economic class. C.K. Prahalad, in his recent thought provoking Nani Palakhivala lecture, has rightly called the Universal ID 'the basic building block of the social justice that the framers of the constitution had in mind'.

It augurs well that one of the most respected technocrats of India, Nandan Nilekani, is leading this effort. It signifies India's belief in the creation of citizen centric governance led by technology.

As the twenty first century unfolds, one can clearly visualize the power of an emerging India equipped with a universal ID, universal education and universal connectivity. It is fair to conclude that India is finally moving ahead in laying the foundation for citizen centric governance.

V. K. Agnihotri

Administrative Reforms for Improving Deliverables

Preamble

The major components of Governance are process, content and deliverables. The process comprises factors such as transparency and accountability. Content encompasses values such as justice and equity. The deliverables are the outcomes for the citizen: life with dignity, liberty and satisfaction of basic needs. The key elements of good governance, therefore, are participation, accountability, transparency, responsiveness, efficiency, and effectiveness, rule of law, equity and inclusion. The key actors responsible for delivery of good governance are state, market and civil society[1].

The Context

Presentation of fifteen Reports by the Second Administrative Reforms Commission (2005-09) in the last few years has provided rich fare for generating and sustaining animated discussion and debates on Governance and administrative reforms in India. Of particular interest for a discourse on governance would be the First (*Right to Information: Master Key to Good Governance*); Fourth (*Ethics in Governance*); Tenth (*Refurbishing of Personnel Administration: Scaling New Heights*); Eleventh (*Promoting e-Governance: The SMART Way Forward*); Twelfth (*Citizens Centric Administration: The Heart of Governance*); Thirteenth (*Organisational Structure of Government of India*); and the Fifteenth (*State and District Administration*).

It is indeed an overly rich fare to chew and digest within the confines of a single article. Perhaps a series of issues of *The Journal of Governance* could be earmarked to deal with the panoramic, as well as, kaleidoscopic range of issues that need to be addressed in order to enable the country to attain its rightful place in the comity of nations.

The scope of this paper is further circumscribed by a recent seminal study[2], which extensively covers a wide-range of issues demanding to be addressed in the present context.

This paper, therefore, in the nature of things and given the constraints, attempts to address only a few substantive issues which are not only current but also considerably volatile.

The Argument

Governance, *ipso facto*, is expected to be good; it was, *prima facie*, brought into existence for the good of the governed. Its deterioration over time or emergence of what came to be experienced as 'poor' governance, gave rise to the demand for 'good' governance. Understandably, it is easier to recognise poor governance than to define good governance. Some of the symptoms of poor governance are diversion of public resources for private gains, absence of law or arbitrariness in its application, excessive rules which impede the functioning of markets, allocation of resources in a manner that is inconsistent with the priorities of development, and a decision-making process that is not transparent.[3]

The definition of good governance, on the other hand, depends on the definer, namely, whether it is the executive, the parliament, the judiciary, the citizen, the civil society, the media, the donor or the beneficiary. In recent times, largely the donors' perspectives have dominated the discourses on as well initiatives of good governance. Important among these are dialogues on good governance *inter alia* pioneered by the World Bank, International Monetary Fund, Organization for Economic Cooperation and Development, Asian Development Bank and a host of bilateral donor agencies.[4] The following definition of good governance formalised by the World Bank deserves special attention:

> "…. good governance is epitomized, by predictable, open, and enlightened policy making (that is, transparent processes);

> a bureaucracy imbued with professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law."[5]

Some of the other relatable attributes of good governance articulated by various stakeholders include capacity of government organisations, reliability, responsiveness, social justice or equity, integrity, democratic decision-making, and respect for human rights among others. Taking note of these varied perspectives a more comprehensive definition of good governance has been attempted by Munshi as follows:

> "Good Governance signifies a participative manner of governing the functions in a responsible, accountable, and transparent manner based on the principles of efficiency, legitimacy, and consensus for the purpose of promoting the rights of individual citizens and the public interest, thus indicating the existence of political will for ensuring the material welfare of society and sustainable development with social justice."[6]

The praxis of good governance or governance for that matter, in the nature of things, heavily relies on the conduct of business of government. Ultimately, the majority of attributes of good governance require the government of the day to create conditions conducive to it. Further, insofar as government, particularly its day to day administration, is run by the bureaucracy, delivery of good governance is in the hands of the civil servants. In this paper, therefore, an attempt has been made to address some of the outstanding contentious issues of Indian bureaucracy in the context aforementioned.

Second Administrative Reforms Commission and Recent Initiatives of Ministry of Personnel, Public Grievances and Pensions

In this context, the Second Administrative Reforms Commission in its Tenth Report has made a number of suggestions which are worth looking at. For improved performance of Civil Services its suggestions pertain to: the stage of entry into the Civil Services; the structure of the Civil

Services Examination; other modes of induction into the civil service; and placements at middle and top management levels. The report also includes a section on lessons from multi-country experience in civil service reform. These include training civil servants in domain knowledge, lowering the age of entry, fostering competition for appointments to senior executive positions, and creating a central civil service authority with responsibility for preparing recommendations on appointments to senior positions and for overseeing lateral entry at higher levels.[7]

The Government of India, on the other hand, has, in the recent past, taken several initiatives to improve the level of motivation, competence, performance, and the image of Indian bureaucracy. A welcome step in this direction is the institution of the Prime Minister's Award for Excellence in Public Administration to acknowledge the outstanding and exemplary performance of Indian civil servants.[8] Another significant initiative of Government of India is a project on Capacity Building for Poverty Reduction, funded by Department for International Development (DFID), UK. The assumption underlying of this project is that effective, efficient and equitable delivery of basic services to the poor is a strong and positive correlate of poverty reduction. The programme components, *inter alia*, are State of Governance Report, Governance Knowledge Centre, implementation of a Quality Management System, Modelling Best Practices, and enhancing ability of citizens to enforce social accountability, among others. To complement the National e-Governance Plan of the Department of Information Technology, the Department of Administrative Reforms and Public Grievances has launched a Mission Mode Project on e-Office to improve efficiency, consistency and effectiveness of Government responses and to promote transparency and accountability[9].

Howsoever well-intentioned and somewhat grandiose these initiatives might appear to be, they are still merely indicative of the government's desire to improve the functioning of the civil services. The malaise is much deeper and requires more fundamental changes and overhaul of the system.[10]

Combating Corruption and Improving Efficiency

The menace of corruption in public life has been around from time immemorial. Kautilya, a political scientist and administrator of 4th-3rd century BC, mentions 40 ways in which corrupt officials can cheat the government and the people. He perceptively observes:

> "Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servant employed in government work cannot be found out taking money. It is possible to mark the movements of birds flying high up in the sky but not to ascertain the clandestine movement of government servants."[11]

Nearer our times, at the dawn of India's independence, Dr. S. Radhakrishnan, addressing the Constituent Assembly on 14-15 August 1947 in his 'oratorical time-bound relay race', could not help ruminate:

> "Unless we destroy corruption in high places, root out every trace of nepotism, love of power, profiteering and black-marketing which have spoiled the good name of this great country in recent times, we will not be able to raise the standards of efficiency in administration as well as in the production and distribution of the necessary goods of life."[12]

That nothing much has changed over the years can be gauged by the fact that both the President of India in her speech on the eve of the 63rd Independence Day Speech (14 August, 2009) and the Prime Minister of India in his Independence Day Speech (15 August, 2009) felt constrained to highlight the ill effects of corruption in Government. Early in her Address, the President said:

> "Facilities, amenities and services meant for them [the people] whether they are living in rural or urban areas can be delivered smoothly only if there is an effective governance system that is less cumbersome but more transparent and accountable. There is outrage when money meant for welfare schemes is pilfered out by corrupt practices . . . Hence, the emphasis on reform of governance for effective delivery of public services is critical to change the lives of the people."[13]

The Prime Minister, on the other hand, towards the conclusion of his speech, stated:

> "However good our programmes and schemes might be, their benefit will not reach the public till the Government machinery is not free of corruption and till it is not effective in their implementation.I would like our public administration to be more efficient so that programmes for public good can be implemented faster. We need to improve our delivery systems to provide basic services to our citizens . . . Initiatives will be taken for a new partnership between the civil society and the Government so that tax-payers' money is better spent."[14]

Even as late as on 01 February 2010, the Prime Minister, addressing the First Annual Conference of the Chief Secretaries cautioned:

> "People today resent apathy, sloth and corruption in any form and at any level of government more than ever before. There is clamour for accountability from all quarters – the legislature, the judiciary and the media."[15]

From the concerns aforementioned, it is more than obvious that for the well-being of citizens fighting graft is perhaps as important, if not more, as countering terrorism. As the venality and inefficiency of civil servants has grown and the consequent clamour for disciplining and bringing them to book has risen in a crescendo, Article 311 of the Constitution of India which, even in its modified form, provides blanket protection and security of tenure to them, has come under severe attack. It has been urged that this constitutional safeguard needs to be revisited in order to ensure that, while the honest and efficient officers are given the requisite protection, the dishonest are not allowed to prosper in office.

There are no magic formulae for either promoting efficiency or eradicating corruption among civil servants. A concerted, conjoint and comprehensive initiative would need to be taken if India is to achieve any of its Millennium Development Goals within a reasonable time frame. Right to Information Act, 2005 was a right step in this direction. Vigorous institutionalisation of Information Technology enabled Services (ITeS), coupled with reengineering of administrative processes in a systematic manner, would also go a long way in promoting speed and transparency in the delivery of public services. In addition, what needs to be attempted more seriously is weeding out of the corrupt and the inefficient civil servants, at all levels, through testing and triage.

The Second Administrative Reforms Commission in its Tenth Report[16] has made a plethora of suggestions which are worthy of consideration. *Inter alia*, a comprehensive and continuous Performance Management System, coupled with a Code of Ethics and a more stringent disciplinary action framework and procedures to be managed through a comprehensive Civil Services Law and a Central Civil Services Authority, have been advocated.

Some of the measures suggested by the Commission in its Fourth Report for awarding exemplary punishment to corrupt civil servants include recovery of damages sustained by the State on account of *mala fide* actions and omissions of the civil servants and confiscation of their property if found disproportionate to their known sources of income. There should be no need for obtaining prior sanction for prosecuting a public servant, who has been trapped red-handed or in cases of possessing assets disproportionate to the known sources of income. The Commission has actually recommended repeal of Articles 310 and 311.[17] Ironically,Kautilya had also recommended the confiscation of ill gotten wealth from public servants.

All India Services: Generalists vs. Specialists

Also under attack is Article 312 of the Constitution of India which provides for creation of All India Services (AIS), including the Indian Administrative Service (IAS), much-maligned in recent times. The special feature of these services is that the Central Government recruits officers on behalf of the State Governments. Accordingly, there is dual control in respect of their service conditions. This arrangement has not been found to be very satisfactory by the State Governments as according to them it leads to increased influence of the Union Government over the States, dilution of control over the AIS officers in disciplinary matters and poaching of talented officers of the State Cadre by the Central Government.[18]

However, on the other hand, equally convincing arguments have been advanced in favour of AIS. *Inter alia,* it has been argued that in view of their national vision and perspective, these services have been instrumental in promoting national integration. On account of their selection through an All India Competitive Examination, the calibre of the officers selected is significantly higher than that of, locally recruited officers. By virtue of serving in the State as well as, the Central Governments, AIS are able to build bridges between two levels of the Indian federal system. Moreover, on account of the constitutional safeguards provided to them, the officers of AIS can afford to give independent advice to the political executives[19].

Officers of AIS have not always covered themselves with glory. Several of them have been found wanting in integrity and intellectual honesty and have been alleged to have aligned themselves with the politicians in power, not always in the best interests of the society at large.[20]

The need to motivate All India Services to discharge their duties and responsibilities without fear and favour has been well-established. The reform process must make the services completely professional, always accountable, absolutely unimpeachable in integrity, thoroughly neutral amidst different political ideologies and configurations, and totally committed to the cause of good governance in the country.[21] This would not only require providing adequate protection to honest civil servants and whistleblowers but also strengthening and broad-basing the system of giving recognition to the outstanding work of serving civil servants and providing them other forms of incentives. Efforts are also required to be made to find ways and means of reducing and, if possible, eliminating the scope for political interference in the day-to-day discharge of legitimate duties and responsibilities by the civil servants.

In order to improve the efficiency and effectiveness of higher civil services, the system of their recruitment and performance appraisal would also need to be streamlined. The controversy of generalists versus specialists in this regard continues to haunt the Indian administrative system. The particular context is positioning of the IAS officers (generalists) to head various departments, including those manned by specialists. Over the years, this controversy has gained momentum to an extent where it is felt that, on the one hand, the technical departments should be headed only by specialists and, on the other hand, even the generalist services should be made to specialise in different sectors of public administration.

In recent times, there has been a large inflow of specialists, such as engineers, doctors, MBAs, agriculture scientists, and Ph.D.s, in the so-called generalist civil services. This movement from specialist to generalist may need to be curbed to some extent through modifying the recruitment specifications. Generalists would also need to be given both exposure, as well as, special training in order to build their capacities to handle complex and multi-disciplinary problems and policy matters. For this purpose, various senior positions earmarked for generalists could be divided into some broad categories, such as regulatory, financial, infrastructure, social welfare etc. After initially doing assignments in different sectors for a period of about 15 years, the generalist civil servants, particularly the IAS, could be slotted for specialisation in one of the identified sectors, based on their aptitude and past performance. At this stage, they could be sent for a sabbatical to acquire knowledge and skills relevant to their area of specialisation, through national as well as international exposure. Thereafter, the Government would need to ensure that, for most part of their future career, their services are utilised in organisations pertaining to their sectoral specialisation.

Public Service Delivery

The crux of governance is public service delivery. It is not the 'what' and 'why' but 'how', that matters.[22]. The annals of Indian administration are full of instances where policies made and projects conceptualised with utmost care and attention have failed to deliver the goods at the implementation stage. Time and again, audit agencies have found fault with the delivery systems pertaining to public distribution, education, health, rural development, infrastructure etc. Mr. Rajiv Gandhi, the former Prime Minister of India, is alleged to have stated that out of every rupee that the Government spends on the welfare of the people only fifteen per cent of it actually reaches the concerned beneficiaries. The last mile problem is a universal phenomenon. However, perhaps no where else is the way to hell paved with good intentions more systematically than in India.

In the same country, at the same time, there are examples of excellence in service delivery both in the public and the private sectors. However, these models are few and far between. For instance, we have the example of *Dabbawalas* (lunch-box carriers) in Mumbai, who deliver 175,000 to 200,000 lunch boxes everyday at an extremely nominal fee but with utmost punctuality. According to a recent survey, there is only one mistake in six million deliveries[23], which is more than a six sigma company (3.4 defects per million opportunities) could be expected to deliver. Again, there is the example of the Golden Temple of Amritsar where volunteers feed around 35,000 people everyday, free of cost, with utmost care and civility[24].

There are, of course, several islands of excellence developed by individual civil servants throughout the length and breadth of the country, in respect of delivery of public services in agriculture ('Soil Health Card' of Government of Gujarat), customs & excise (EDI in Indian Customs), education (Education Guarantee Scheme of the Government of Madhya Pradesh, *Shiksha Karmi* project of Government of Rajasthan and Activity Based Learning of Government of Tamil Nadu), delivery of public services (*e-seva* of Government of Andhra Pradesh), health (reducing maternal mortality and female infanticide in Tamil Nadu and *Arogyashree* – health care for weaker sections – of Government of Andhra Pradesh); income tax (e-Governance in Tax Administration), land records (*Bhoomi* of Government of Karnataka), municipal services (*Saukaryam* in Visakhapatnam, Government of Andhra Pradesh), on-line registration of companies (MCA21 of Ministry of Corporate

Affairs, Government of India), policing (Trichy Community Policing Experience), public distribution system (*Akshaya* of Karnataka Government), railway reservation (e-ticketing), rural development (*Kudumbashree* and *Ashraya* of Government of Kerala), and water supply (water supply administration of Hyderabad Metropolitan Water Supply & Sewerage Board).[25]. Several of them have won national[26] and international awards.[27] However, a number of them have failed to get institutionalised. There is, therefore, need to take steps to ensure that public services are universally delivered to the citizens with speed, transparency and in a hassle-free manner.

Some of the reform measures suggested earlier would definitely go a long way in achieving this objective. A new model recently developed in this regard relates to 'Mission Convergence' of the Government of National Capital Territory (NCT) of Delhi, which recently celebrated the first anniversary of its Foundation Day. It is a public-private partnership established to improve service delivery of welfare schemes to the beneficiaries. It attempts to address the issue through a multi-pronged and multi-disciplinary convergence of services covering welfare schemes, such as health, education, nutrition, social security, employment, gender equity, pension and empowerment of communities[28]. Involvement of civil society in the delivery of public services, it would appear, could ensure better success in the implementation of Government programmes and schemes. Public services must work so painlessly and seamlessly that we do not even notice that Government exists.[29] Empowering people at the grassroots and keeping the bureaucracy from getting in the way are the keys to building a new India.[30] To achieve these objectives, setting up of a Delivery Unit on the lines of the Government of UK could be considered.[31]

The Way Ahead

Some of the other measures needed to be taken in order to improve public administration in the next three decades would include upgrading and high-profiling the mechanism for redress of public grievances, including setting up an ombudsman system on the lines already set up for banking and certain other sectors; streamlining and harmonising the regulatory regime; and repealing outdated laws of the Central and State Governments.

There are evaluations involved in any discussion of good governance[32]. Quality certification in public sector organisations has been around for quite some time. In the last decade of 20th century, several organisations of Government of India and some State Governments initiated Total Quality Management practices and achieved recognitions for their efforts.[33] Time is now ripe for the Government of India to attempt to develop a Good Governance Index (GGI) - national as well as regional - based on quality of citizen security (law and order), access to infrastructure (physical and social) and quality of public service delivery including that of the system of justice. If human development is the expected outcome of good governance, GGI could in fact be indexed on Human Development Index (HDI). A reference to *National Human Development Report, 2001*, in this context, would not be out of place[34]. A toolkit for self-assessment by the Central and State Governments, to go with the GGI, would be a bonus[35]. The details of the assessment procedure could be worked out on the lines either of the TQM or ISO specifications[36]

As far as the task of reinventing Indian bureaucracy is concerned, the Government of India has, at the present juncture, the great advantage of the benefit of the recommendations of the Second Administrative Reforms Commission, which has recently concluded its work with the submission of its Fifteenth Report. The First Administrative Reforms Commission completed its work almost four decades ago and, in any case, this is only the second time in the history of independent India that such a comprehensive exercise has been undertaken.

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Mohan Kanda

Towards Meaningful Centre-State Relationships in Central Funding of Programmes in the Agricultural Sector

India is a country that works towards its development goals through a complicated web of relationships between the Centre and the States. The Central Sector Schemes and the Centrally Sponsored Schemes (CSpS) are the two main avenues through which States receive money from the Centre, towards various development activities.

This article examines the manner in which the CSpS philosophy has developed over the years, notes the lack of freedom within a State to design and implement a programme that is centrally sponsored along with a redundant system of 'Norms and Components' to direct funding. It suggests a paradigm shift in realising common goals, such that we may perhaps make faster, targeted progress towards achieving better Human Development Indices (HDIs). Importantly, it suggests that the time has come now for questions rather than answers, to do things differently rather than better, such that we let the importance of 'performance' inform the design of programmes rather than the need to monitor, implement or defend funding in a State. National Policy should inform but not hijack State specific concerns.

As States are strapped of resources, a major portion of funding of major State-subjects Sector Schemes is done by the Centre. CSpS fund State Subjects such as Literacy, Agriculture, Rural Development, Primary Health, Roads, etc. Popular examples of CSpS are Indira Awas Yojana (Housing), Sarva Siksha Abhiyan (Literacy), Rajiv Gandhi Drinking Water Mission, Rashtriya Krishi Vikas Yojana and National Food Security Mission (Agriculture). However, the guidelines for such schemes based upon 'norms and components' are designed by the Centre, and are mostly, rigid, top-down and insensitive to sub-sectoral needs. Further, they curb creative or innovative adaptation of the design, which is not informed by regionally differentiated concerns. Moreover, guidelines that seek to achieve ease of monitoring, accountability and defensibility rather than performance seem to suffer from the 'everything-everywhere-all the time-for every one' syndrome.

Agricultural Production vs. Farmer Income

A stagnant agriculture sector has been a cause for concern for over two decades. Even in a year of record growth, 2006-07, the rate of growth of the contribution of Agriculture sector has actually fallen. Clearly, the health of the farmer is paramount to agricultural production. At the Centre, for example a *National Plan for Crops* should keep the farmer in mind while devising innovations for regions and crops to achieve national goals. It must target farmer sections, rather than production and productivity, as has been the practice. Further, such a National Plan must give ample scope and controlled flexibility to the States to help the farmer sections to benefit optimally from any scheme, while striving to achieve an overall national goal. Suicides have often peaked in the highest production seasons, owing to gluts, resulting in low farmer incomes. Increased production and enhanced productivity do not necessarily reflect healthy farming systems. Food security can hence not be de-linked from the viability of farm holdings. Sustainable growth can be achieved only through increased farm-incomes.

A different Approach?

Looking at a simple example such as cotton production in the country may give us a clear picture. The logical way to programme production would be to decide how much cotton needs to be grown, which are the right areas to grow it (and also, which are the areas that should *not* grow cotton), who are the farmer groups that should take up production (for instance, small and marginal farmers should steer clear of cotton keeping in mind the high risk of failure, unless solid safety-nets have been provided for in the system). The Technology Commission on Cotton would find it a challenge in its present Terms of Reference to do an in-depth analysis of the extant issues in agro-ecological regions in question, in such a way as to understand the specific needs of the farmers and areas. It would not suffice to point to a State, but to go beyond and give each agro-ecological region its due, while recognising the ability and needs of the farmers in that region. Hence, the National Plan need not have detailed 'components' and 'norms', rather, it should have broad aims that give ample scope for State Plans to feed into. In no way would this amount to disregard for an overall national goal.

How does our present system work?

Taking forward the argument for a new approach, the farmers in Guntur, a district in Andhra Pradesh for example may need no help in terms of the usual 'components' from the Centre, to produce cotton. Thus for instance it may need seed testing arrangements, (which may have no mention in the National Plan) and methods to fund them. The top-down design paradigm currently followed in the country unfortunately makes the norms extremely generalized across very different groups of farmers and agro-ecological zones. For example, construction of watershed structures under National Watershed Development Project for Rainfed Areas (NWDPRA) uses the same slope cut-off parameters in Gujarat as well as Mizoram. The focus being easy audit procedures and the minimizing of risk, it discourages scheme designers to think innovatively and freely (such as taking into account the various factors that determine a production forecast resulting in a well informed model, as compared to the simple and unscientific forecasting systems being applied across the country by the centre wherein the outlook is conservative and the method is lacking). Further, the rigid and inflexible nature of the funding mechanism leaves no space for the State or a smaller agricultural unit to adjust the scheme to better suit its needs. Hence there is no scope for creative or innovative adaptation of a scheme. This insensitivity to sub-sectoral needs has resulted in frustration and suboptimal use of precious resources, while the relative status quo in HDIs clearly shows that perhaps the National Goals have also not been achieved in any appreciable amounts. Needless to say performance monitoring approaches will also need to be informed by the need to encourage and promote action rather than merely facilitate easy defence.

Kerala or Mizoram have no longer a serious literacy issue, just as rural housing is almost a non-existent problem in Tamil Nadu. Punjab and Haryana have practically no indigenous agricultural labour. The agricultural sector in Rajasthan is dominated by Animal Husbandry. How can a uniform policy affect all States similarly and optimally? In India, the States largely remain passive recipients of Central assistance, while straight-jacketed Central guidelines continue to stifle the voice of regional or sectoral requirements. Therefore "doable" and "mission-mode" projects need to be formulated for implementation at the cutting edge level addressing locally specific critical areas.

No resonance with the external environment...

India's preoccupation with running a large number of schemes, bringing us back to the 'everything-everywhere-all the time-for every one' syndrome has led to a dangerous disconnect with the outside world. No meaningful dialogue is taking place with the external environment - an overriding imperative in the post liberalization, globalization and privatization phase. In the context of the ongoing process of international integration as a result of unprecedented acceleration in the flow of trade, assets, technology, knowledge, information, and ideas across national boundaries such an interaction is essential. Further, the Centre's basic functions such as Credit, Insurance, Research Management and the EXIM Policy (which has been stop-go and knee-jerk in nature in recent times) have remained largely neglected and in disjunct with respect to the macro-management functions of the Centre. The Ministry of Agriculture has neither been closely involved nor has really been able to influence policy in these crucial areas.

Meanwhile, India has fallen behind in infrastructure services such as ports, roads, cold chains, etc. that are important to the agricultural sector. On account of the implications arising out of its international obligations such as the WTO Agreement on Agriculture, as well as, for the health of its own primary sector, there is a need to respond to emerging concerns such as desertification, glacial melting, sea-level rise, global warming and climate change. All these have a bearing on the farmer's well-being and income, which should be the primary concern of the Centre. Hence the agencies at the Centre need, not only a "one-time catch-up" but a sustained interest in these concerns, as well as, an efficient system to link research and findings with their plans and schemes.

Time for Questions, not Answers:

Can a rich farmer growing tobacco in a prosperous irrigated area be a preferred destination for sustainable credit, in preference to a small farmer growing groundnut in a rain fed area?

Can lending for consumption purposes or expensive green houses legitimately constitute a priority sector concern?

87.5% (1993) of Research by the Agricultural Research Organisation in Israel was contracted for by farmers to provide specific solutions to problems raised by them. Can we imagine such an effort in India? When can the farmer voice his problems to the Government with a view to finding solutions through research in India?

Contract Farming offers to the farmer a guarantee of a price and a buyer. It ensures to the processor, availability of raw materials along with a price and quality control assurance. Models of contract farming have succeeded in India in the past, such as cigarette, sugar and oil palm sectors. Can we replicate these models elsewhere for volatile commercial crops such as cotton, onion, chilly, potato, tomato, copra (dry coconut), etc?

Are we aware that the so-called Agricultural 'Marketing' Departments of the Centre and States are in reality only agricultural 'markets' departments, that have yet to evolve expertise in the marketing discipline in this sector. The objectives of the Marketing Departments should include:

- to augment the agricultural marketing infrastructure of the country through programmes of teaching, research and consultancy services;
- to undertake research to demonstrate and replicate better management techniques in the field of agricultural marketing;

When will agriculture in India transit from churning out commodities to producing 'products'?

For example presently most horticulture products are being bought and sold as commodities by the smaller units rather than as branded and differentiated quality based products.

Need for a Paradigm Shift: The "DIME" way forward

We need to facilitate the transition of Agriculture from remaining sustenance occupation to becoming a commercial activity. A regime that shifts the focus from a linear and incremental model to a demand-driven conceptual approach is needed to fulfill national goals and expectations, as well as nurture, a healthy and confident farmer.

The Centre in the new approach needs to *supplement and complement the States eff*orts to create synergy in agricultural funding, as well as, outputs (both farmer income, as well as, the productivity and production). It also needs to *do its own things*; rev up research management (to reflect farmer and farming issues), control better fiscal instruments such as, credit and insurance, and attend to its international obligations in a contemporary and informed manner.

While the Centre has attempted through the Department of Agriculture and Co-operation of the Ministry of Agriculture, a 'macro-management' scheme, the effort has fallen short of expectations and needs to be revamped and replaced by a state-of-the-art synergic model that has the ability to think and do things differently rather than merely more or better.

The need to inculcate the spirit of partnership among the Central and State Governments, and other stakeholders, to promote the production and productivity of different crops/ commodities, has however in recent times, caught the imagination of the department of Agriculture and Cooperation in the Ministry of Agriculture, and is now the underlying theme of the Rastriya Krishi Vikas Yojana.

The Centre's approach should involve bulk funding of States and regionally differentiated work plans arising out of MoUs. Gaps and overlaps should be avoided and work-plans need to be taken up with destinations and road-maps supported by MoUs. These work plans should

- Comprise interventions defining the objectives, role allocations and time-lines (what, where, how, by whom and by when?)- in a crop-region-intervention matrix
- Promise a destination in terms of qualified and pre-defined deliverables
- Include roadmaps to destinations duly marked off by milestones and time-posts (in an if-then scenario forecasting ability)
- Be participatory and inclusive in design, as well as, implementation with respect to the States
- Engage Eminent Centres of Excellence as independent external monitoring and evaluation partners

A DIME partner would enhance the working of the agricultural sector (or for that matter any sector that works towards development goals in India) in the context of its partnership by creating a positive , cohesive and synergic relationship between the various partners. Ideally, the MoUs earlier referred to, can include such partners to facilitate and articulate clearly the intent and expected outputs of the arrangement.

When summed up, the outcomes of all the MoUs should add up to National expectations in terms of productions and productivity of various crops and commodities.

An excellent example of the use of a centre of excellence in a Centre-State programme is the Uttar Pradesh Sodic Land Development Programme. This World Bank funded programme accepted the Indian Institute of Management (Lucknow) as the DIME partner between the Government of India, the State Government and the World Bank.

DIME simply expands as Design, Implementation, Monitoring and Evaluation, wherein the independent external agency helps the partners to work together and in partnership with each other to increase responsibility, as well as, ownership in the programme.

Monitoring is another important aspect that will benefit immensely through the inputs of the external and expert agency. This is a highly under-rated discipline that has been reduced to the inane practice of mechanically interacting with an ongoing process at fixed time intervals to generate uniform and therefore less than useful information.

Consider, for instance, the building of a house which, say, takes four months. Clearly there are four critical points at which careful monitoring is required – the laying of the foundation, the point of completion of the lintel level, the laying of the roof and the finishing of the interior. A typical bureaucratic monitoring system can result in sixteen inspections being planned at a fixed time every week (say 9:00 A.M. every morning) with not one of the visits covering any four critical events! Thus the periodicity as well as the nature of observation has to be correlated to the rhythm of the programme- clearly a matter for experts to deal with-and not for a calendar and a watch!

Working with DIME:

Parallelly a thorough study of agro-ecological conditions and available support systems should define crop patterns. Increased production and enhanced productivity needs to be organized crop wise and based upon optimal use of agro-ecological conditions and the efficacy of support systems. An increase in production and productivity should be achieved through realistic planning based upon an online, real-time environmental scan and also on knowledge of strengths/ opportunities relating to the needs of agro-ecological situations. This means that we need to spot opportunities and threats. Scanning also involves collecting and collating information, and adding value to such information before dispatching it to appropriate destinations. For example, it is particularly important to make forecasts and early warnings by scientific and technical agencies such as the Indian Meteorological Department (IMD) or the Central Water Commission (CWC) user-friendly before sending off the advisories. Expanded and creative use of Information and Communication Technology (ICT) is paramount for reducing the gap between the availability and accessibility to technology inputs, credit, insurance and markets in a timely and effective manner. This will clearly require what one may call a "trans-disciplinary" chemistry between organizations such as IMD, CWC, ICAR, Agriculture Universities, Central/States Departments of IT, Central/State Departments of Agriculture Extension-**Chemistry**, I repeat and not merely **physics** as often happens when different players attempt group strategy.

Hence, the answer to badly managed CSpS is not to stop them; the money is crucial for States to sustain important development activities. States need autonomy but through a system of controlled flexibility that allows them the freedom to adapt CSpS to its smaller agro-ecological regions, while pushing the farmer income to the forefront. DIME partnerships will lend professionalism and accountability and build models that can be replicated elsewhere for development.

As may be easily seen all that has been set out in the preceding paragraphs is equally applicable to all efforts being made in funding by the Central Government of programmes that lie essentially in the domain of the States, such as literacy or drinking water. Thus the MoU system and partnership with Centre of Excellence can work not merely with agriculture but also in other areas. Therefore, the suggested DIME partnerships across sectors should sum up to show better HDIs for India, and reduce the national disappointment for the dismal numbers we display internationally.

T.S. Krishna Murthy

Governance Deficit in Democracy and Development

The nation-state had its beginning in Europe in the 15th century and evolved subsequently as a result of which individuals and communities began to lose control over themselves with the state becoming gradually more powerful. This development took place almost simultaneously along with industrial revolution, intellectual and cultural renaissance and technological progress in western societies. These beneficial factors no doubt influenced the quality of public governance in these countries quite favourably. In Asia, Africa and Latin American countries too the nation-state became powerful in 20th and 21st centuries with the gradual eclipse of imperialism and colonialism. Although the state in these continents became more powerful, the quality of democracy and governance took a different shape and form when compared to traditional democracies in the west. Many of these countries coming out of the shackles of imperialism and colonialism were suffering from abject poverty, poor literacy, gender injustice, appalling malnutrition apart from feudal social relationships and powerful elite. Unfortunately, alongside these deficiencies, the politicians, bureaucrats and corporate leaders in many of these emerging democracies got into an unholy nexus of varying shades exploiting people in the name of development and democracy.

Although it is easy to blame most of the socio-economic problems of these countries due to colonialism, imperialism and capitalism to some extent, such an excuse cannot hold any longer especially when most of the countries in this region have attained independence quite some decades back. It is also significant to note that the Afro-Asian countries as well as Latin American countries have during this period adopted democracy as a rule of governance almost mechanically which proved to be an advantage as well as a disadvantage. It was an advantage because it had politically awakened the subservient and sluggish people suddenly and made them realise that their destiny depended only upon themselves. Western concepts of Liberty, Equality, Rule of Law, Independence of the Judiciary and representative democracy based on universal franchise became attractive jargons to the newly awakened, educated and elitist population. The aspirations and ambitions of the people too increased as a result. While these were welcome developments, democracy in these countries due to local conditions and culture had also contributed to many distortions such as proliferation of undemocratic political parties coupled with dynastic politics and selfish political leaders of powerful mafias based on unhealthy and obnoxious nexus between corrupt politicians, incompetent civil servants, cunning criminals and wily businessmen. National leaders of unimpeachable integrity became rare. This is not to say that all emerging democracies became bad or corrupt. What I wish to state is that the quality of democracy in many of these developing countries got vitiated depending upon the negative influences resulting in bewildering shades of democracy varying from dictatorship to different kinds of oligarchy. In fact, many writers on democracy feel that democracy has a self destroying streak if it does not function well. Prof. John Keaye keeping in mind these distortions has recently authored a book under the title *The Life and Death of Democracy (Simon & Schuster 2009)* stressing the point that most of the modern democracies are not necessarily democracies in substance although they may be so in form, proceeds "to raise awareness of the brittled contingency of democracy, at a time when there are signs of mounting disagreement about its meaning, its efficacy and its desirability".

Juxtaposing its normative and empirical, classical and modern, ideal and practical dimensions, Sanford A. Lakoff, in his book *Democracy: History, Theory, Practice* refers to three forms of autonomy within modern democracies: Individual autonomy representing the rights of individuals to regulate their own conduct as they see fit, providing only that in doing so they do not deny others the same opportunity; plural autonomy representing the right of social groups to regulate themselves to pursue their own end within a similar limit and communal autonomy representing collective self-determination through political association, whether by majority rule or by consensus. Lakoff argues that evaluation of quality of democracy must start with these forms of autonomy and how society balances the inherent tension. If we evaluate the present day democracies on the basis of the extent of harmonisation of these autonomies, you are bound to be disappointed because of the damage caused by violence, corruption and exploitation to social harmony & social justice.

John Hobbes in his famous treatise *Leviathan* observed that the lives of human beings were "nasty, brutish and short" hundreds of years back. In spite of material and scientific progress, it cannot be said that things have substantially improved especially in respect of the poor and neglected persons. Democracy no doubt enjoys an unprecedented popularity now. An international survey showed that of the world's 192 countries, 121 (63%) were electoral democracies as against 66 democracies out of 167 countries in 1987 (40%). The survey goes on to point out that human liberty has steadily expanded throughout the 20th century. The United Nations studies show that since 1980, "81 countries have taken significant steps in democratization with 53 military regimes replaced by civilian governments.

Globalization has also played an important role in accelerating democracy's growth which also created as many challenges as it has addressed. Many democracies claimed to have formed a democratic system based on Abraham Lincoln's dictum of providing "*a government* o*f the People, by the people and for the people"*; although many of the present day democracies are not living upto these democratic ideals. Ironically, democracy is considered as a medium to protect the freedom of the people in governing themselves and that at the same time such protection is not possible by merely having democratic institutions unless they are backed by ever vigilant citizens. This leads us to the next question as to whether democracy and development in emerging economies can go hand in hand. In case of a passionate attachment to either of the concepts, one sees an apparent conflict between the two. If one attaches too much of importance to the essential ingredients of Democracy, such as Liberty, Equality, Rule of Law, Equal opportunity, Independent judiciary and vibrant media, it is often noticed that in such circumstances an elitist group or coterie dominates in all areas of governance. If on the other hand, one attaches too much of importance to Development by giving priority to economic growth and social justice, it seems to accommodate corruption and violence since merit and competence takes a backseat in governance. This conflict between democracy and development seems to be an eternal conflict as is reflected in the writings of many sociologists and political scientists although experience teaches us that these two terms need not necessarily be conflicting or contradictory.

The development landscape, evolving in the last 50 years of development experience, has according to the World Bank Development Report (*Entering the 21st Century- World Development Report – 1999/2000)* taught us certain critical lessons. First, macro-economic stability is essential for growth and development. Second, growth does not trickle down and human needs need to be addressed. Third, no one policy will trigger comprehensive development. Fourth, institutions matter for sustained development. No doubt, at the macro level, considerable progress has been made across the globe in economic, technological and social sectors with world exports rising, foreign direct investments growing geometrically and technological and managerial innovations flooding industry. Simultaneously, at the national level there has been substantial increase in the number of countries that have introduced and implemented variety of poverty alleviation plans and schemes.

Inspite of these gains, one sees serious gaps in many countries in eradicating poverty. Although the wealth of the world has substantially increased and foreign direct investment has been rising in the poorer countries, the gap between the rich and the poor has equally increased. One notes with shock that in the past ten years, a smaller and smaller percentage of the world's population has controlled a larger and larger percentage of the world's wealth. This is often due to the corroding influence of ever increasing corruption at political and bureaucratic level which flourishes due to availability of enormous state funds for Development and tremendous increase in international aid from multi national agencies and bilateral arrangements. Added to this, is the increasing number of terrorists' and extremist's organisations, drug cartels and trafficking of human beings which disastrously threaten the quality of personal safety and security contributing to disturbing tensions among different segments of the society and pressures on the state institutions.

The confusing scenario of global progress along with violence and corruption leads us to wonder whether anything can be done to productively harness the gains of democracy and development without the slings and arrows that flow during the developmental process within a democratic framework. The present disenchantment of the people with political parties, political leaders and parliament arise mainly because of failures in public governance and deficiencies in marketplace. There are different categories of the poor such as subsistence farmers, landless labourers, slum dwellers and urban squatters who were deprived of basis necessities such as food, shelter, health and education. Democracy as a political institution is justified on the ground that people's aspirations can be achieved only by people through consensus. Yet, the appalling poverty in emerging democracies is a standing testimony to the incompetence of the government and consequent failure of the free market. If that be so, governance holds the key to make democracy and development meaningful and successful to the people at large. Good governance is indeed critical in the emerging democracies if people's faith in democracy is to be restored.

The emergence of different types of liberal democracy has resulted in movements in different directions, following different courses and sequences. Electoral democracies could become more democratic or less democratic depending upon variety of circumstances prevailing in the country. These democracies improved or declined in their levels of accountability and responsiveness. This also illustrated that all political systems including democracies become rigid, corrupt and unresponsive in the absence of periodic reform and refinement. The quality of governance influenced the quality of democracy.

When most people talk about the word "*governance*" they think of "*government*". But governance is much more than just government.What is good governance? In my opinion, good governance essentially means adequate and proper delivery of public services to the common man without any hitch or hindrance in developing societies. In addition, good governance should seek to provide better quality of life, social equality, rule of law and peaceful life without any threat from within and outside. Most of the rulers in emerging democracies often dream of ambitious projects and plans in various sectors without realising the limitations of resources, both financial and human. What really happens in many of these countries is unproductive use of financial and natural resources at a tremendous cost because of poor managerial skills in public administration. The lethargic public service flourishes in the context of corruption, violence, low civic consciousness etc. The current unsatisfactory state of governance is to a large extent and beyond the reasonable degree of doubt, the result of poor governance, lack of governance, misgovernance and malgovernance characterized by corruption, collusion between custodians of public trust, lack of accountability and deficiencies in civil service. In India too, the Second Administrative Reforms Commission acknowledged that "governance is admittedly the week link in our quest for prosperity and equity. Elimination of corruption is not only a moral imperative but an economic necessity for a nation aspiring to catch up with the rest of the world".

Very often, scholars in public administration advocate the need for ethical governance to stress standards of integrity based on transparency and accountability. While highest standard of integrity in public governance are no doubt welcome, I am of the view that efficient governance, more than ethical governance is the first step towards transparency and accountability. I would therefore observe that people should fight for efficient governance as a pre-condition towards ethical governance. Governance is therefore a critical input for the success of any democratic or developmental effort. It would follow that governance alone will ultimately ensure liberty, equality and justice. If delays in administration of public services continue to occur, if administration of justice is not efficient and if economic progress does not percolate to the poorest of the poor, it is obvious that people's faith in democracy or development will not continue. Apart from the duty of persons in governance to be responsible and accountable to the people at large, the people themselves have to be ever vigilant in questioning chronic inefficiencies and long delays in public governance. Tolerance towards poor public governance is no virtue in such a scenario as it will only aggravate injustice and will pose a serious threat to liberty in the long run. Another important factor to be borne in the mind is the need to limit the role of the government so as to ensure that the governmental resources are effectively used in core areas of governance such as healthcare, sanitation, education, infrastructure besides currency and security. Government should not be allowed to fritter its limited resources to items outside these core areas. As Woodrow Wilson said "*Liberty has never come from the government. Liberty has always come from the subjects of government. The history of liberty is the history of resistance. The history of liberty is a history of the limitation of governmental power, not the increase of it.*

Kalyan K. Mitra

Management of National Security – Challenges and Priorities

National Security Objectives

Until the end of the cold war era, national security was largely understood in terms of a nation's territorial integrity. The primary threat to the security of a sovereign state was expected from other states. In there is a new security paradigm in which traditional military threats are overshadowed by new asymmetric threats from non-state actors, including those that engage in acts of mindless terrorism against the state and its innocent citizens. From the last decade of the 20th century terrorist attacks have taken a huge toll of life and property in various parts of the world including our own. Presently the defining mission of national security managers is to anticipate and prevent catastrophic attacks on the life and property of citizens promoted by fanatical organized groups, many of whom receive support and encouragement from outside the country's borders. It is important to remember that nearly all our internal security problems have external dimensions - one way or the other. There is a pressing need for reprioritization of national security objectives and reorientation of the charter of various agencies and institutions involved in the management of national security. In other words, we need a reasonably foolproof national security architecture designed to overcome the challenges outlined above.

As it is, a large, diverse, multi-ethnic and multi-religious country like India is intrinsically exposed to intra-state conflicts. India has been challenged by internal security threats ever since independence taking the form of religious, ethnic, communal, caste and ideological violence promoted by extremists. The mobilization of various sectarian groups have been facilitated by the breakdown of the rule of law, erosion of the quality of political life and institutions of governance, corrupt administration and growing deprivation of people living in the deep hinterland and vulnerable border areas. The problem has become especially acute because the Indian state, more than sixty years after freedom from colonial rule, has failed to deliver social and economic justice to a vast majority of its citizens, despite lofty promises embodied in its constitution. The resultant alienation and despair amongst sizable segments of the population have provided an opportunity to hostile neighbouring countries to foment trouble by supporting various disgruntled groups and marginalized elements within society. A democratic, free and open society like ours offers endless opportunities to terrorists, insurgents and extremist groups to operate, establish bases, raise funds, procure weapons, communicate and mobilise support. To further compound the problem, the ruling political elite and inefficient bureaucracy have consistently demonstrated lack of will, courage and vision to adopt strong measures that can tackle security threats headlong.

The US State Department's latest annual report on terrorism has included India among the world's most terrorism afflicted countries. The report also notes that despite the Indian government's official pronouncements, its counter-terrorism efforts remain hampered by its outdated law enforcement and legal systems. India received a very poor rating in G-20 (group of 20 most powerful countries) report in respect of measures taken to combat terrorism. It is a sad truth that India has not been able to formulate a viable national security doctrine primarily because we lack a strategic culture. Most Indians believe that our strength lies in our centuries old civilization and the historical experience of survival against all odds. In today's world, this belief is not only flawed but dangerous. For instance, we do not have a clear policy for tackling hostage crisis despite bitter experiences of several hi-jacking and hostage taking incidents. We have shown reluctance to be tough in dealing with the hostage takers unlike the U.S., Israel and several other countries. It is time we adopted a policy on the basis of a national all party consensus and give it wide publicity. In that case if demands endangering national security are made, there is no compromise or trade off with hijackers.

So what needs to be done to ensure that our security apparatus is prepared to meet a variety of threats adequately and with reasonable chance of success? Before we proceed further, it is necessary to underscore the strong interface between security and good governance. The crisis of governance is a major threat to the security of state because lack of transparency and accountability in the delivery of public services, corruption and poor implementation invariably result in breakdown of the rule of law and loss of credibility of governance. Good governance envisages the strengthening of not only the government and its institutions, it enhances the power of civil society as well. After every major terrorist strike, there is public criticism and the government engages in fire-fighting operations to mollify people. But people forget very soon because public memory is short. As a result, a sense of complacency inevitably sets in both within the government and within civil society. In effect no substantial change takes place in the security management system. This pattern had continued until the Mumbai attacks in November 2008. The present Union Home Minister, it needs to be acknowledged, has taken a number of steps to bring about structural changes in the system. But much remains to be done and promises need to be redeemed.

The dominant discourse on security has changed worldwide after September 11, 2001. The fear of terror has not only transformed the mindset of people almost overnight, it has whittled down the earlier high standards of protection of individual liberty and privacy in America and other western democratic countries. The UN Security Council's Resolution 1373 has prompted many member countries to adopt harsh terrorism-specific laws and counter-terrorism measures. However, the political leaders in power in India have politicised the response to terror. They remain reluctant to adopt strong legal measures for fear of losing votes because tough terrorism - specific laws would be unpopular in some quarters. An appropriate legal framework is a vital component of an effective security apparatus, designed to deal with cross-border, externally sponsored terrorism. That is why wide powers have been given to the law enforcement and intelligence agencies by the 'Patriot Act' in USA and 'Anti-terrorism Crime and Security Act' the UK. It is sad to see that the Indian government has repealed the 'Prevention of Terrorism Act' (POTA) on the ground that it has been and can be misused. The truth is that there is no law anywhere in the world which cannot be misused. By the same logic, many of our laws may have to be repealed because these have been misused by aberrant policemen and law enforcement agencies. There should be enough safeguards against possible misuse of tough laws instead of giving them a temporary status. If the government continues to see terrorism as an ordinary crime or law and order problem, then it will not be able to win its war against terror.

Following the Mumbai attack, the government has claimed that it has given greater teeth to the Unlawful Activities (Prevention) Act, 1967 which had replaced POTA. There is no doubt that the UAPA has been strengthened, but it still lacks the special enforcement provisions which POTA incorporated had, such as, admissibility of confession made before high ranking a police officer longer period of police remand, stringent conditions for bail, burden of proof placed on the accused and so on. The fight against terror has to focus on the external and domestic networks and then financing which remain beyond the scope of normal legislations. The Home Minister has remained silent about this shortcoming while expounding on his plan to revamp security management.

Mr. Chidambaram has made his views public in respect of a new Architecture for Security while delivering the Intelligence Bureau Centenary Endowment Lecture on December 23, 2009. It is noteworthy that the Home Minister unfolded his plan while referring to the 'State of our Police' and the so-called 'foot soldiers'. Indeed, no plan for enhancement of security management capability can succeed without looking at the state police forces who are the first to respond to any kind of violence - whether caused by an insurgent group, left extremists or terrorists driven by religious fanaticism. Although maintenance of public order is a state subject under the Constitution, the police in India have been neglected and politically exploited in virtually every state. They are grossly understaffed, under-equipped, ill-trained, poorly paid and over-worked. India has one of the lowest police - population ratio in the world (130 per 100,000 people). To quote the Home Minister, the country has to recruit over 400,000 constables this year and over the next two years to fill needed positions and expand the existing strength which is insufficient. The 13000 odd police stations and grossly 7500 police posts in the country have virtually no connectivity or modern system of data storage and data sharing. The central government must not waste any further time in implementing the planned '**Crime and Criminal Network Systems**' (CCTNS) for improving connectivity , storage, retrieval and sharing data between police stations and the state head quarters as well as with the central police organizations. The intelligence branches of the state police forces are not only poorly trained, they are usually staffed by demoralized, ones, who have been shunted out from the uniformed divisions. The beat constable from the police station and the intelligence branch officer are required to gather ground level intelligence through constant interaction with citizens and the community. The Union Government is learnt to have circulated a proposal to restructure the state special branch to revamp intelligence - gathering at the district and state levels. But nothing seems to have happened yet.

There have also been repeated demands for replacing the outdated Police Act of 1861 by a new Act to instill greater accountability and insulate the police from political manipulation. The government has not taken any visible action yet on the model Police Bill drafted by the Soli Sorabjee Committee. Internal security cannot be maintained unless Police Reforms and modernization of the state Police take place.

At the end of the day, the success of regular police in combating terror will depend greatly on the ability to enlist public cooperation and support. Unfortunately, instances of such cooperation are rare. The common citizen is reluctant to volunteer information for fear of harassment and endless hassles. The police leadership introspects on this. They have to motivate the rank and file of the force to mend their ways and become people – friendly. The public have also to be educated about the changing face of terrorism and the need for greater vigilance. Needless to say, this is a delicate task which has to be fulfilled without generating panic or hysteria.

Counter Terror Strategy

Nearly all countries in the world provide necessary resources for the conduct of counter intelligence in the interest of national security. Governments all over the world are becoming increasingly aware of the threats posed by saboteurs, trans-border terrorists and subversive organizations. Strangely democratic nations have staunchly recognized the need to deal with the marginalized elements within the society – the small number of people who might betray their government and fellow-citizens either for personal gain or religious or ideological belief. When such people fall prey to the sinister plans of hostile foreign intelligence organizations, they need to be identified by counter intelligence and security agencies. In the context of the growing threat of externally sponsored terrorism, our counter-terrorism strategy must necessarily become an integral part of counter intelligence operations.

Most of the terrorist groups sponsored by Pakistan depend not only on transnational (organised crime) networks but also on supply bases, safe houses, transport, communication and support infrastructure available in India. With greater vigilance on the border in future, terrorist strike groups will increasingly depend on in-country facilities for functional ease. Indeed, local sympathizers and human network are critical for successful terrorist operations. For an effective strategy to deal with these groups, it is not only necessary to improve collection of timely, actionable intelligence but it is absolutely necessary to penetrate the clandestine network of terrorist organizations, their core groups as well as their sympathizers and supporters. Interdiction and neutralization of the terrorist prior to attack ought to be the key element of strategy. Admittedly, the task is difficult. But penetrating the support apparatus is usually a lot easier than penetrating the terrorist core group. If we are to win the war against the invisible terrorist, we need to rely on equally invisible, covert operations which can penetrate secret networks of terrorists, their sympathizers and supporters. Improved counter intelligence is an essential prerequisite for successful anti-terror operations because physical protection of all possible terrorist targets in a country of India's size is an unrealistic goal. Infiltration requires patient work over long periods of time by specially trained, dedicated men and women.

New Institutions

A critical element of the counter-terror mechanisms is the capacity to develop databases which will provide information on hostile entities, their modus operandi, recruitment techniques, communication networks, profiles of key individuals, cover-up mechanisms, funding and related information. Though somewhat oversimplified, these steps do suggest some basic points in the development of an analytical approach to counter terrorism.

The key institution in any coordinated response to security imperatives has to be the proposed establishment of a '**National Counter-Terrorism Centre**' (NCTC) which will coordinate the activities of intelligence, counterintelligence and law enforcement agencies. Ideally, an apex body like the NCTC should have a database relating to all terrorist incidents and terrorism – related information with powers to deal with all aspects of terrorism – right from prevention and preemption through collection of inputs / intelligence from central and state agencies, coordination and sharing of intelligence between central and state agencies to monitoring investigation, prosecution and trial of cases. For networking of databases, the government, we are told, has decided to set up **NATGRID**. Hopefully, this will be done soon. If **NCTC** comes into being by the end of 2010, the **Multi-Agency Centre** under the Intelligence Bureau will have little utility.

The government has set up the **National Investigation Agency** (NIA), with much fanfare. But it is just another Central Investigation Agency empowered to investigate specified offenses under eight laws including the 'Atomic Energy Act'. It is not a terrorism – specific Investigation Agency. In fact, once the NCTC becomes operational, the NIA can as well be would up or be merged with it. The other alternative may be to empower the **Central Bureau of Investigation** (CBI) which needs greater authority to promptly take up investigation of cases without waiting for concerned state government's consent and concurrence. We have failed to draw lessons from the USA where a unified single Department of Homeland Security was created following the 9/11 attack bringing together multifarious security organizations under one umbrella. In India, we seem to be heading in the opposite direction by creating new institutions. One hopes, the government will finally be able to remedy such critical shortcomings.

This brings us to the much debated question of whether India needs a National Security Czar as a single point professional, accountable to the country on all matters relating to internal security. It appears that the Ministry of Home Affairs is planning to fit the head of the proposed NCTC into this kind of role. Hopefully, the head of the NCTC will be a handpicked professional with proven experience of handling internal security related matters. Our policy makers and strategic analysts often cite the American model while airing their views and suggestions. Therefore, a brief reference to the system in force in the US may be in order.

In July 2004, the bipartisan US congressional commission (popularly known as the 9/11 commission) submitted its report and made several recommendations for structural changes in the National Security management system. The **National Counter Terrorism Centre** was set up in the office of the US president for unifying strategic intelligence from all sources into joint operational planning against Islamic Terrorists across the foreign – domestic divide. For unifying the multi

– agency US intelligence Community comprising of more than a dozen players a **National Intelligence Director** (NID) was created to replace the **Director of Central Intelligence** (who was also the Director of CIA) which was a major structural change post 9/11. The **National Security Advisor** in the US is a member of the executive staff of the president and his/her role is to harmonise the views and inputs of different departments and project to the president the available policy options.

In India until the late 1980's the responsibility for policy coordination on matters of national security was shared by the Cabinet Secretary and the Principal Secretary both of whom reported to the Prime Minister. They performed the task of coordination, formulation and policy implementation. A post of NSA to coordinate policy making on national security was created by V.P. Singh for one year. Later, Vajpayee recreated the post of NSA and the incumbent occupied the post in addition to being the Principal Secretary to the PM. The administrative coordination of the intelligence agencies continued to be handled by the Cabinet Secretary. In 2004, Manmohan Singh appointed an independent NSA and after J.N. Dixit's untimely death, M.K. Narayanan looked after intelligence coordination – both domestic as well as external.

The role of the newly appointed **NSA** should be limited to giving professional advice to the PM in respect of external security and foreign policy options. He should not be burdened with the task of coordination of intelligence operations. The Cabinet Secretary should continue to coordinate the administrative functioning of the two major intelligence agencies. RAW should function under the direct operational control of the Prime Minister and the IB under the Home Minister as before. There is no need for a new National Intelligence Director. As far as intelligence operations relating to terrorism are concerned, all agencies including RAW should report to the Union Home Minister through the NCTC and have a high level representative within the organization for day to day monitoring of policy implementations, and evaluation of intelligence inputs and sharing of intelligence. The head of the NCTC should exercise control over all intelligence operations in so far as they relate to terrorism and threats to internal security.

Revamping the intelligence mechanism

Finally, there is urgent need for looking at the intelligence apparatus which is at the core of an efficient security management system. Nobody has touched upon this subject in public discussions in keeping with the past tradition of maintaining silence on the sensitive issues of intelligence. The record in different parts of the world has shown that neither organizational reform nor technological advances in the field of collection has significantly improved the quality of intelligence gathering. Basic reforms must start with a multi-disciplining futuristic approach towards the collection and analysis of data. With rapid advances in technology and information revolution, agencies will need to rely on diverse expertise of computing engineers great diversity of specialists, engineers, scientists, economists, I.T. and software experts, linguists and crypt-analysts to understand, analyse and interpret complex data gathered from a variety of sources.

The effectiveness of our agencies will be directly proportional to the skill and talent of the personnel available. There is need for providing sufficient career incentives for attracting and retaining exceptional and qualified individuals from the universities, the private sector, the corporate world including from the institutes of excellence. An enduring obsession with secrecy has prevented the agencies from interacting with the outside is world where a good deal of knowledge and expertise is available. The culture of gathering intelligence has to change. Recruitment should take place at various levels, including lateral induction at the middle and top levels on the basis of transparently devised guidelines. In a fast changing security scenario, the analyst at the desk should excel in the art of innovative lateral thinking and anticipate events that are low in probability but high in terms of possible consequences. Leaders from intelligence community must resist the pressure to adhere to conformity and learn to educate consumers about intelligence sharing in a way that challenges conventional wisdom and past experience.

The aforementioned reforms to overhaul the intelligence culture will, in all probability, not happen soon because people and institutions resist change. But eventually the discourse must answer the overriding question of accountability and the need for parliamentary oversight of intelligence activities. Intelligence organizations in several western democratic countries are subject to legislative oversight. The Second Administrative Reforms Commission has discussed this issue in its report. In the not too distant future, the Indian intelligence establishment must be made accountable and should become answerable to parliamentary oversight.

B. P. Mathur

Values and Ethics for Public Services

Ideals are like stars. We never reach them but, like mariners on the sea, we chart our course by them.

Values are the foundations on which our society is built. Values are the invisible wealth of a community and of a nation and guide our journey through the rough and tumble of life. The history of humanity is to a large extent the history of values. They serve as a source of moral precepts that govern the actions of the community. History tells us about the adverse effect of the decline of moral values on the nation states. Edward Gibbon in his classic *Decline and Fall of Roman Empire* observes that nepotism, rampant corruption, internal strife and general moral decay were the cause of the ruin of great Roman civilization.

Religion – The Ancient Foundation of Values

From the time civilization took birth on this planet, man has been debating the right way of living and how he should conduct himself in society and deal with other human beings, be they be children, relatives, friends or business associates. Various religions have attempted to provide moral code for the human beings. Basically the problem facing man is the conflict between divine and un-divine in him. The stream of mind flows in two different directions, the one leading to virtue the other to vice. To overcome the conflict and integrate the personality is the aim of all religions. For all practical purposes all the religions carry the same message, emphasizing the basic harmony of all religions. All religions propound moral codes not only to carry general obligation and admonition, they also capture a vision of excellence, of what individual and societies should be striving for. Bharat Ratna Bhagwan Das[1] says, 'Commandments of all great religions, on the subject of Ethics, injunctions and prohibitions, do's and don't, ...are identical for all practical purposes. For a common man's understandings basic religious teachings in all the religions have been reduced to a set of few principal virtues and teachings[2]'.

Moses' five Commandments are:

1. Thou shall not kill,
2. Not bear false witness,
3. Not steal,
4. Not commit adultery,
5. Not covet anything that is thy neighbour's. The crux of Jesus Christ's teaching is , ' to love thy neighbour as thyself', which means selfless service.

The duty of man according to Manu, the lawgiver for Hinduism is *Ahimsa, Satyam, Asteyam, Shaucham, Indriya-nigrahah, Ekam Samiskam Dharmam, Chatur-varne abravit Manuh*. Harmlessness, truth, honesty, cleanliness, restraint of the senses from all erring ways,- this is the duty of man in brief.

Mohammed commands:

1. Slay none, God has forbidden it, except if Justice require it,
2. Avoid false words,
3 Woman and man who steal shall lose their hands,
4. Intoxicants are Satan's own device,
5. They who avoid unlawfulness in sex, they only win success. Similar virtues are preached by other religions such as Buddhism, Confucianism and Jainism.

Buddha's five virtues are:

1. Do not kill,
2. Be truthful, do not slander nor lie,
3. Take from none by greed or force or fraud, what is his own,
4. Have a clear mind, clean body, shun drinks and drugs,

5. Touch not thy neighbour's wife; neither commit the sins of flesh.

The five ethical commandments of Confucius are:

1. *jen,* service of or doing good to others,
2. *yi,* truthfulness,
3. *li,* propriety, proper conduct, correct behaviour,
4. *chih,* knowledge, wisdom,
5. *hsian,* trustworthiness.

Religion should normally be a binding force, which should deepen the solidarity of human beings. Tragically religions have often split rather than unify humanity. Those who hold religious power are in a position to dominate and control their followers. In the past, some of the bloodiest wars have been fought in the name of religion. Those who have a mission to bring the rest of humanity to their own way of life have been aggressive towards' others way of life. This illusion brings intolerance and fanaticism. For this reason some of the great thinkers have denounced religion. Sigmund Freud described religion as 'universal obsessional neurosis' and Karl Marx as 'an opium of the people'.

Despite misgivings about religion, it occupies a central place in the life of human beings. Bhagwan Das[3] observes, "Some persons disgusted with religious conflict, speak hastily of abolishing religion to allay that conflict. As well kill the body to cure the disease. To uproot religion successfully they must first exterminate Pain and Disease. So long as human beings experience and fear these, they will not cease to crave the consolation of religion." All the religions of the world propound the philosophy of righteous conduct, brotherhood and 'loving thy neighbour as thyself', and control one's baser instincts, and develop communion with higher powers to attain peace and tranquillity. Therefore solution lies in giving right kind of religion to people and use of well–planned religious instructions as the most potent instrument for regeneration of mankind. The International Religious Foundation[4] observes,

"*Despite both the common moral values and the traditional*

> *spiritual wisdom found in all religions, persistent squabbles among religions have served to discredit them, making universal values appear to be relatively sectarian. The foundations of a pluralistic society – its cultural expressions, legal systems, and public schools, require values that are grounded in universal experience of human kind, not in the doctrines of one particular faith*".

The Secular and Democratic Ideals

As society progressed great thinkers like Hobbes, Locke, Voltaire, Rousseau, and Montesquieu propounded secular values and liberal ideas of human dignity, and one's inalienable rights as a citizen. They also professed that governments should secure their legitimacy only if they received the consent of the governed and protected their life, liberty and property in what is known as the theory of social contract. These ideas developed in powerful movements towards democratic form of government and got translated in the constitutional framework of France, USA and Great Britain, which were forerunners in establishing democracies. The American Declaration Of Independence (1776) states, "All men are equal, that they are endowed by their creator with certain inalienable Rights, that among these are Life, Liberty and the pursuit of Happiness". The Declaration of Rights of Man and Citizen, the fundamental document of French Revolution (1789) states that; Men are free and equal in Rights; All citizens being free are equally admissible to all public dignities, places, employment; Citizens be guaranteed rights of liberty, property, security and resistance to oppression and freedom of speech.

The aforesaid ideals influenced the framers of the Indian Constitution. The Preamble to the Constitution says that we will secure to all citizens: Justice, social, economic and political; Liberty of thought, expression and belief, faith and worship; Equality of status and opportunity and promote Fraternity assuring dignity of the individual. The Preamble sets the fundamental values and the philosophy on which the Constitution is based and an ideal that the State should strive for.

The ideals of justice, liberty, equality and fraternity set in the Constitution can be secured only if we are able to provide Good Governance in the country. High standards of conduct on the part of holders of public office both the elected representatives as well as public servants is essential for providing citizen friendly, efficient government. Public servants hold their positions as a public trust and the people have a right to expect that all employees will place loyalty to the Constitution, laws, regulations, and ethical principles above private gain. Employees fulfill that trust by adhering to general principles of ethical conduct, as well as specific ethical standards.

Universal Values

A combination of religious and democratic values has resulted in creation of a set of universal values which has been respected by all societies in the world, and guide the behaviour of people, irrespective of religion, race, colour, social and economic background to which they belong. Some of these cherished values are listed below:

- Truth,
- Honesty,
- Dedication to work,
- Non Violence
- Compassion,
- Courage,
- Perseverance,
- Self-discipline,
- Loyalty,
- Faith

These values do not change through the march of time and are as valid today as they were hundreds of years ago, when they were originally formulated to guide human behaviour and conduct. These values could therefore be termed Eternal Values as well.

Values for Public Servants

Inorder that the public officials perform their duties honestly and efficiently and become an instrument of service to the people they need to possess universal values as mentioned above. They need in particular the following fundamental values:

- Devotion to Work,
- A sense of Mission and Focus
- Integrity and Honesty
- Fearlessness and Courage
- Spirit of Service and Sacrifice

Devotion to Work : Today the work culture in government offices is poor. There is an all-round atmosphere of sloth and inefficiency. Employees come late to office, take extended lunch break, leave early and are indifferent to work assigned to them. The Fifth Pay Commission had the following to say, " today the government office is seen as dusty, moth eaten, dingy, paper infested hovel chock-full of babus, which is feudal in outlook, hierarchical in structure, antediluvian in its procedures, dilatory in examination of issues and secretive in its dealings with customers. Despite, being one of the largest providers of services, there is a complete lack of customer orientation in various government departments."

We should change the existing work culture in public services and inculcate the philosophy of *nishkam-karma* propounded by our scriptures.

Sense of Mission : Work should not be done simply for the sake of doing work. There should be clear focus and direction in what one is doing, otherwise it will not be productive and yield results. Ramakrishna Paramhansa said, "if you are digging a well, dig deep till you strike water, if you give up after a while and go to a new place and then to another, you will never get water." Today most corporates have mission and vision statements. This gives clarity about the tasks to be performed and goals to be fulfilled. The trouble with government is that it spreads its resources too wide and thin, without each department of the government having a clarity about its objectives. It was a clear sense of mission that was responsible for the success of our space programme, or operation flood which revolutionized milk production in the country. If public servants are focused on what results they have to achieve and are inspired that they are working for a national cause, there will be quantum improvement in the delivery of public services.

Integrity and Honesty : Public servants hold their office in trust, which underlies two principles; they shall not use public office for private gain, and they shall act impartially and not give preferential treatment to any private organization or individual. Today corruption has become a widespread phenomenon among public officials as they unabashedly use their position and power to enrich themselves personally. How to control corruption is one of the biggest challenges facing the Government.

Public officials should also avoid conflict of interest situations. While a conflict of interest is not *ipso facto* corruption, there is increasing recognition that conflicts between the private interests and public duties, if not adequately managed, can result in corruption.

While rules and laws have been framed for severe punishment, if officials are caught in corruption, they do not act as effective deterrence as rules give so many escape clauses. Only when public servants inculcate the noble values of integrity and honesty, a dent in massive corruption problem facing the country can be made.

Fearlessness and Courage : The Shah Commission which investigated the 'excesses' committed during Emergency (1975-77), found that public servants committed irregular and illegal acts, which caused immense suffering to the masses out of fear of their political masters. The Commission observed, 'they crawled while they were asked to bend'. During the Nuremberg trial the top German army commanders told the War Crime Tribunal that they committed atrocities against the Jews out of fear of Nazi top brass. It is often seen that many public officials though honest themselves, succumb to unjust demand of political masters or their own official superiors, out of fear that their Confidental Report will be spoiled or they will be transferred to a inconvenient place, or their promotion will be jeopardized. This happens largely due to weak character and lack of conviction that they are doing an honest job.

In the complex and technocratic world of today public servants are required to take speedy and innovative decisions which needs courage. Courage means mustering the strength and will to do what you know you should do, even though you are afraid. Aristotle had said, "we become brave by doing brave acts".

Spirit of Service and Sacrifice *:* Spirit of service and sacrifice is an essential ingredient of public services and public officials should feel inspired that that they are working for a national cause. Today it is a common complaint that salary levels in top civil services are very low as compared to the private sector. While persons in civil services need to be given decent salary, their salary and emoluments can never match with their compeers in the private sector. Young men who join the army and are prepared to lay down their life in the event of war or are posted in the harsh and treacherous weather conditions of Siachin glacier and brave the hardship as they are inspired by a noble mission that they are serving the country. No amount of monetary incentive can compensate for the sacrifice and hardship they undergo.

Today in the society there is an increase in selfishness, and general lack of concern for other individuals. What we have in India today, is not a giving and sharing society, but a grabbing society, not a sacrificing society but a consumer society. Self seeking and exploitation of the weak has become common place. These maladies result in general unhappiness and a retreat from the goal of general welfare and fulfillment. Mahatma Gandhi had said there is enough in the world for 'everyone's need but not for their greed'. We need to change the societal attitudes particularly those who are in public services so that they develop sympathy for the masses and work in the true spirit of service to the society.

Ethics – The Concept

While Values are critical, they can be sustained by institutions to be durable and to serve as an example to others. Values without institutional support will be weakened and dissipated. Institutions provide the container, which provide shape and content to the values. This is the basis of all statecraft and laws. Therefore creation of a code of conduct such as an Ethics Code is of great importance to promote and sustain values for public services. However, before we create a code of behaviour, we need to be clear about some concepts relating to ethics and values :

Values are the accepted principles or standards of an individual or a group *(Encarta*). Values are like an anchor in a ship. When a storm comes, a ship is not swept away by strong currents but remains anchored to the shore. A person with strong values or character sticks to his principles and is not swept away, in crisis or under pressure.

Ethics is the study of moral standards and how they effect conduct. *(Encarta*). Therefore ***Ethical*** means conforming to accepted standards consistent with agreed principles of correct moral conduct.

Moral *is* relating to issues of right or wrong and to how individuals should behave. Therefore ***Morality*** *means* standards of conduct that are accepted as right or proper. It is based on personal conscience rather than what the law says.

Character is a set of qualities that make a person distinctive, especially qualities of mind and feeling (*Encarta*). Character is that ensemble of actualized qualities of head and heart of an individual, through the help of which, he masters facts and forces of life in creative manner and gradually reaches self-fulfillment in a way helpful to others.

Conduct is the way a person behaves, especially in public.

Ethics – The International Experience

Following cases of corruption and financial scandals which have been surfacing from time to time all over the world, the Governments in most countries have been giving a great deal of importance to ethical behaviour on the part holders of public office. Several countries have drawn codes of conduct for public officials. United Nations has adopted a treaty called Convention against Corruption and OECD has adopted a convention to deter and prevent bribery by foreign public officials in connection with international business transactions. It would be instructive to study some of these values, code and practices.

In the United Kingdom, following Northcote Trevelan Report of 1853, a professional merit based civil service was created in Britain and the earlier system of appointment by political patronage was abolished. The Indian Civil Service (ICS), which manned the vast Indian administrative network, till we attained Independence in 1947, was steeped in the British tradition. In a series of reform measures that have been taken in Britain to improve the efficiency of civil services, a Civil Service Values and Code was promulgated in 1996, which has been modified and revised in 2006. The Civil services values drew its inspiration from Lord Nolan Committee report.

The Civil Service Values[5] (2006) states that the Civil servants are expected to carry out their role with dedication and a commitment to civil services values: integrity, honesty, objectivity and impartiality.

- *Integrity* is putting the obligations of public services above your own personal interests;
- *Honesty* is being truthful and open;
- *Objectivity* is basing your advice and decisions on rigorous analysis of the evidence;
- *Impartiality* is acting solely according to the merits of the case and serving equally well Governments of different political persuasions

In the USA, the political and civic culture is based on the notion that public officials should perform their duties in public interest. In order that people have faith in Government, institutions and systems have been developed that ensure that public officials are held accountable and Government operations are open to scrutiny. The ethics structure includes a variety of specialized agencies that carry out preventive, investigative, prosecutorial and oversight functions. As part of initiative to promote ethics and financial integrity in Government, Congress passed the Ethics in Government Act in 1978 , which among other things established the US Office of Government Ethics.

The European code of good administration issued by European Ombudsman[6], is meant to be respected by European Union institutions and bodies, their administration and their officials in dealing with public. The Code serves as a guide and resource for civil servants, encouraging the highest standards of administration. The code with 26 Articles was adopted by European Parliament in September 2001. The following are some of the significant provisions of the Code:

1. Lawfulness:.
2. Absence of Discrimination:
3. Proportionality:
4. Absence of Abuse of Power
5. Impartiality and Independence:
6. Objectivity:
7. Legitimate expectation, consistency and advice:
8. Fairness:
9. Courtesy:
10. Right to be Heard:

The United Nations[7] concerned about the problem of corruption adopted an International Code of Conduct for Public Officials in December 1996. Its salient features are as follows:

1. A public office, as defined by national law, is a position of trust, implying a duty to act in the public interest. Therefore, the ultimate loyalty of public officials shall be to the public interest of their country as expressed through the democratic institutions of government.
2. Public officials shall ensure that they perform their duties and functions efficiently, effectively and with integrity, in accordance with laws or administrative policies.
3. Public officials shall be attentive, fair and impartial in the performance of their functions and, in particular, in their relations with the public.
4. Public officials shall not use their official authority for the improper advancement of their own or their family's personal or financial interest.
5. Public officials, to the extent required by their position, shall, in accordance with laws or administrative policies,

declare business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.

6. Public officials shall at no time improperly use public moneys, property, services or information that is acquired in the performance of, or as a result of, their official duties for activities not related to their official work.
7. Public officials shall comply with measures established by law or by administrative policies in order that after leaving their official positions they will not take improper advantage of their previous office.
8. *Disclosure of Assets:* Public officials shall, in accordance with their position and as permitted or required by law and administrative policies, comply with requirements to declare or to disclose personal assets and liabilities, as well as, if possible, those of their spouses and/or dependants.
9. *Acceptance of Gifts or Other Favours:* Public officials shall not solicit or receive directly or indirectly any gift or other favour that may influence the exercise of their functions, the performance of their duties or their judgement.
10. *Confidential Information*: Matters of a confidential nature in the possession of public officials shall be kept confidential unless national legislation, the performance of duty or the needs of justice strictly require otherwise.
11. *Political Activity*: The political or other activity of public officials outside the scope of their office shall, in accordance with laws and administrative policies, not be such as to impair public confidence in the impartial performance of their functions and duties.

The Indian Scenario

In our country, while the Central Government has issued conduct rules for government employees known as Central Civil Services (Conduct) Rules 1964, it does not lay down values which civil services should follow or a code of ethics. The rules are more in the nature of ”do's” and “don't”. The Conduct Rules cover matters such as property transactions, acceptance of gifts, joining of non-political organization and host of other issues covering almost every activity which a normal individual undertakes. The rules are highly restrictive, seriously curtailing freedom of operation of a government employee, couched in vague language and sometimes impractical to follow. If a government servant wishes to carry serious academic activity and publish articles and books, he has to take permission, which does not come by easily. An officer should report every purchase of a movable property such as TV or a refrigerator of more than Rs 15000 in value. To join a foreign language class run by foreign cultural organisation or attend a reception hosted by foreign diplomatic mission permission is required. The conduct rules are followed more in breach than in practice and gives a handle to government to harass honest and dedicated officers, while the dishonest and corrupt get away due to complicated procedure involved in taking disciplinary action. The rules are totally inadequate to deal with cases of malfeasance or misconduct of public servants as they give numerous escape routes for the unscrupulous. It is time to discard these rules and bring a new code of ethics for civil servants.

First Initiative for Code of Ethics – May 1997

The Department of Administrative Reforms, Government of India had prepared a Code of Ethics for public services, as part of an Action Plan for an Effective and Responsive Government[8] which was presented in a conference of Chief Ministers presided by the Prime Minister held in May 1997. The objective of the Code was to prescribe standards of integrity and conduct that are to apply to public services. The salient features of the code are as follows:

1. The public services should assist the government in formulating and implementing policies and administering public services in the most effective way.
2. Employees in public services should uphold the rule of law and respect for human rights, and act solely in public interest. They must maintain the highest standards of probity and integrity.
3. They should conduct themselves in such manner that the public feels that the decisions taken or recommendations

made by them are objective and transparent and are not calculated to promote improper gains for the political party in power, for themselves or for any third party.

4. They should not seek to frustrate or undermine the policies, decisions and action taken in public interest by Government by declining or abstaining from action.
5. Where an employee in public service has reasonable grounds to believe that he or she is being required by superior authority to act in a manner which is illegal or against prescribed rules and regulations, he should decline to implement the instructions. He will have the right to bring the fact to the notice of superior authority.
6. *Conflict of Interest*: Employees in public service should refrain from decisions; i) which are calculated to benefit any particular person or party at the expense of the public interest; ii) shall disclose any clash of interest when there is conflict between public interest and private interest.
7. They should maintain their independence and dignity and impartiality by not approaching politicians and outsiders in respect of service matters or private benefits, and exercise peer pressure to dissuade those within their own cadre who do so and to set in motion disciplinary proceedings against such persons.
8. *Accountability to Citizens*: i) Employees in public services should be accessible to the people and practice accountability to them in terms of quality of service, timeliness, courtesy, people orientation, and readiness to encourage participation and form partnership with citizen groups for responsive government ii) they should be consistent, equitable and honest in their treatment of the members of the public, iii) they should accept the obligation to recognize and enforce a citizen's right for speedy redressal of their grievance.
9. They should have concern for public assets and funds, avoid wastage and extravagance and ensure effective and efficient use of public money within their control.
10. *Non-abuse of official position:* Employees in public services have a responsibility to take decisions on merits, as they

are in a position of trust, they must not use their official position to influence any person to enter into financial or other arrangements with them or anyone else.

The code also deals with issues such as: public comment, release of official information, integrative role of public services and continuous improvement through professionalism and team work.

The principles laid down in the code were laudable, unfortunately they were not issued as a Code of Ethics for Public Servants.

Second Initiative for Public Services Values – Public Service Bill 2006

In 2006 the Department of Personnel drafted a Public Service Bill[9] which enumerated fundamental values of Public Services, a Code of Ethics, a Management Code etc. with the object of developing public services as a professional, politically neutral, merit based and accountable civil service. The main values by which the Public Servants shall be guided are as follows:

a) allegiance to the Constitution and the law, democracy, nationalism, sovereignty, integrity of India and the security of the nation;
b) function in apolitical manner;
c) Act objectively, impartially, honestly, equitably, and in a fair and just manner;
d) Act with integrity and in a courteous and just manner;
e) Establish high standards, and ensure quality service, effective working and prompt decision making;
f) Be accountable for decisions;
g) Establish merit as the fundamental principle in employment, promotions and placements;
h) Discharge functions with due regard to diversity of the nation/community and religion but without discrimination of caste, community, religion, gender or class and duly protecting the interest of poor, underprivileged and weaker sections;

i) Provide honest, impartial and frank advice to political executive;

j) Ensure that public money is used with utmost economy and care;

The Public Service Bill has not made any headway and seems to have gone in cold storage. One problem with the draft bill was that it intended to fulfill too many objectives. Apart from values and ethics, the Bill envisaged to lay down principles of management of public services, principles which should govern appointment to public services, performance indicators for public services etc. With such wide ranging and diverse coverage of matters relating to service matters, it is difficult to reach consensus and secure legislative approval.

Second ARC on Ethics

The Second Administrative Reforms Commission in its 4th report (2007), "Ethics in Governance" has extensively covered the issue of ethics and observes, "The crux of ethical behaviour does not lie in bold words and expressions enshrined as standards, but in their adoption in action, in sanction against violations, in putting in place competent disciplinary bodies to investigate allegations of violations and to impose sanctions quickly and in promoting a culture of integrity". In its wide ranging recommendations, it has suggested partial state funding of elections; tightening of anti-defection law and code of ethics for ministers, legislatures, judiciary and civil servants. In order to check corruption it has proposed tightening the provision of Prevention of Corruption Act, making corrupt public servants liable for paying damages, confiscation of property illegally acquired and speedy trials. Its recommendations include creation of Lok Pal/ Ombudsman at national, State and local level with powers to look into charges of complaints against high pubic functionaries including ministers, chief ministers, MPs and MLAs.

While recommending a Code of Ethics for Civil Servants the Second ARC has observed: "Civil Service Values which all public servants should aspire", should be defined and made applicable to all tiers of government and parastatal organizations. Any transgression of these values should be treated as misconduct, inviting punishment"[10]. In order to create a regime under which quick disciplinary action can be taken against delinquent Government servants, the ARC has recommended deletion of Article 311 of the Constitution, with a proviso that legislation under article 309 be made to protect public servants against arbitrary action. The Commission has also suggested certain measures to protect honest civil servants against malicious complaints.

The ARC in its 10th Report on Personnel Administration has re-emphasized the need for prescribing Civil Service Values and laying down a Code of Ethics (Para 16.17). The Code of Ethics should include: integrity, impartiality, commitment to public service, open accountability, devotion to duty and exemplary behaviour (Para 17.5).

Needed an Effective Ethics Structure

Public Services constitute an essential part of democratic framework for implementing government's policy. It is necessary that they are honest, efficient and citizen friendly. The non-elected public servants exercise significant discretionary power in their everyday work: in their stewardship of public resources, at the interface with citizens, and in the context of policy making. Ethical standards are a key check and balance against arbitrary use of that public power. As such they are a key factor in the quality of governance. Without some "ethics barometer" it is difficult, if not impossible, to measure changes in levels of corruption or misconduct in the public service. The following suggestions are made:

There is need to lay down a statutory Code of Ethics for Civil Services. It should be couched in simple language, easily understandable and lay down fundamental values which should govern the conduct of public servants. The British Civil Services Code can act as a model.

1. **Violation and breaches of Code of Ethics should invite sanction and punishment under the disciplinary rules.**
2. **The ethical framework should provide for prevention and**

guidance, investigation, disciplinary action and prosecution.

3. **Ethical Guidance should include training in ethics awareness and development of essential skill for ethical analysis and moral judgement.**
4. **There is need to create an independent office of Ethics Commissioner, on the US pattern who should provide leadership in ethics and values**. The Ethics Commissioner should issue and interpret rules which govern standards of conduct and conflict of interest.

A Code of Ethics will help giving a public servant a vision, a purpose and an ideal to strive for while carrying on his public duties. This helps manifesting his full potential and lead a fulfilling, satisfying and happy life which is the goal of every human endeavour.

Notes

1 Bhagwan Das: *Essential Unity of All Religions,*Bombay : Bhartiya Vidya Bhawan, 1990, 358

2 Ibid, pp 358-384

3 Ibid, p 18

4 International Religious Foundation: *World Scriptures*, Motilal Banarsi Das, 1993, p3

5 UK Government website: www.civilservice.gov.uk/publications/civilservicecode

6 www.euro.ombudsman.eu.net

7 www.un.org/documents/ga/res/51/a5lr059.htm

8 Department of Administrative Reforms, Government of India: Action Plan for an Effective and Responsible Government, May 1997

9 Department Of Personnel website:persmin.nic.in/DraftPublicServiceBill

10 Government of India: Second Administrative Reforms Commission; Fourth Report; January 2007; pp77-45; Para 2.7.12

C.V. Madhukar and Mandira Kala

Fostering Effective Parliamentary Scrutiny

Former Finance Minister Yashwant Sinha has argued in the Times of India on the day after the recent union budget was presented in Parliament that our current budget process is archaic and makes it difficult, if not impossible, for Parliament to add value to the process in any significant way. He says:

> It is high time we ended this secrecy surrounding the Budget. In most democracies, budget proposals are not a secret. They are debated and discussed in public.
>
> Why should the expenditure plans be a secret? There is no obvious reason. Similarly, how does it matter if the direct tax proposals are known? What can anyone do with that information? In any case, they only come into effect for the next year. … Also, if the changes suggested are presented as proposals rather than with the kind of finality now conferred on them, there is no need to keep them secret. Instead, you can have extensive discussions inside and outside Parliament.
>
> Even the Standing Committees as of now can do precious little if the government does not accept their suggestions. Parliament has to accept the Budget as it stands or pull down the government. That is why I believe the practice of a government falling if a money bill fails is also archaic and must be done away with. Only then can we have proper and meaningful debate and Parliamentary participation in formulating the Budget.

The spirit of these arguments provides a good backdrop to discuss the ability of Parliament to scrutinize the work of the government. There is a growing perception in India that Parliament as an institution has declined significantly in recent years. This perception is reinforced in many ways – a cash-for-query scam, a cash-for-votes scam, frequent interruptions in Parliament, etc. The Indian media highlights these instances, as any vigilant media indeed should. And these images last in the public memory as the only images of our MPs and the institution of Parliament.

There is a tendency amongst many to sometimes quickly judge based on just these images. But a careful look would be essential to help us understand some of the underlying factors that make it difficult for Parliament to meaningfully scrutinize the work of the executive. To begin with, there is not even a formal definition of the role of a Member of Parliament that is articulated anywhere. From a careful reading of the Constitution and the rules of the two houses, it is possible to infer the role that is expected of our MPs. We need a formal definition of the role of an MP in clear and as unambiguous terms as possible.

There are at least two underlying reasons that would be worth exploring in our effort to understand Parliament's scrutiny of the executive. The first is that there are a number of MPs who invest significant time in preparing for their work in Parliament. These MPs take the time to prepare for legislative debates, non-legislative debates that are often in the nature of issues that are of national importance. And because no MP can be an expert in every subject that comes up in Parliament, it takes serious effort to prepare well to make meaningful contributions to the wide range of issues that Parliament debates. In large political parties, it is possible to conceive of a number of MPs with expertise on various subjects. But in small parties, that have become such an important part of our political life, there are often too few seats in Parliament to have the luxury of MPs within the party who bring in a wide range of expertise.

The second aspect, which is the hidden side of Parliament, is that our Members of Parliament lack of any meaningful research or professional support to enable them to prepare for their work in Parliament. For those MPs who want to participate in the discussions about Parliament, a significant amount of time goes into even basic research on issues, which in most developed democracies is done by professionally qualified research staff that MPs have. This is an important lacuna in our system that makes it very difficult for MPs to make even more meaningful contributions in Parliament.

In this paper we attempt to examine some of these questions and end with some recommendations that are critical to strengthening the institution of Parliament.

Parliamentary Scrutiny of the Executive

The Constitution of India outlines clear roles for our three branches of government: the legislature, the executive, and the judiciary. The legislature is entrusted with making laws, the executive implements laws and is accountable to the legislature and the judiciary enforces and interprets laws. In India the legislature exists in the form of Parliament, the executive in the form of the Prime Minister, Council of Ministers and the government department and agencies they are responsible for; and the judiciary in the form of judges and courts.

The three branches of governance are bound by the constitutional principle of "separation of powers". Separation of powers is an important element in the design of governance of modern democratic states as it ensures that the functions, jurisdiction, power, personnel of the three major branches of government are not concentrated in any one body. The idea of separation of powers is to create a system of checks and balances such that no single agency can exercise unlimited authority.

In India the separation of the judiciary is more distinct, though in recent years the judiciary has attempted to extend its powers into the domain of the executive and the legislature. The separation of powers between the executive and the legislature (Parliament) is not as distinct. The executive is drawn from and is responsible to the parliament.

The idea of separation of powers is not very clear to many elected representatives, especially in state legislatures. It is well known that MPs often meet government ministers to ask for specific support to their constituencies – more projects, more funds, special intervention of some sort that can address the problems of their voters. In theory and in practice, many would argue that this need to reach out to government ministers is a telling statement of how our executive has failed to create systems for better delivery of services across the country. It is also a telling comment that MPs find it easier to knock on the doors of ministers rather than forcing the executive to come up systemic solutions to some of these problems.

The MP Local Area Development Scheme is a reflection of this great urge on the part of the MPs to be seen as doing some 'development works' in the constituency. This again flies in the face of the idea of separation of powers, and more importantly continues to confuse the voters that an MP is elected to fix potholes, clean drains, and sink tube wells in the constituency.

In India several constitutional provisions define the relationship between the Indian Parliament (legislature) and the Government of India (executive) by giving Parliament certain powers over the executive. In principle, India's Parliament has various mechanisms as its disposal to scrutinize the executive and hold it accountable. Table 1 summarises a host of instrumentalities available to the Indian Parliament to scrutinise various elements of government business.

Table 1: Powers of the Indian Parliament

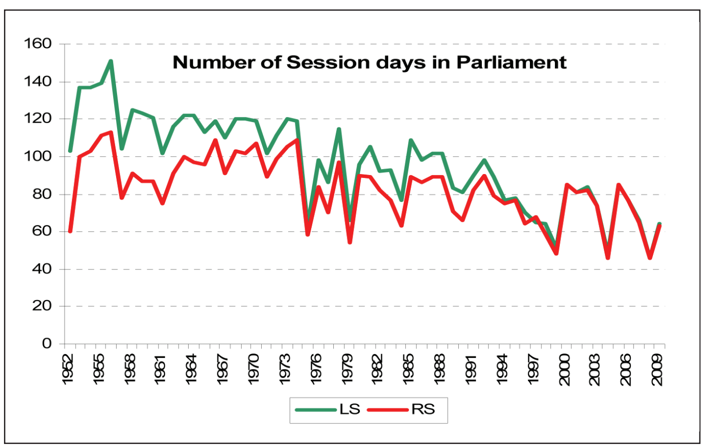
Activity of Legislature	Remarks
LEGISLATION	
Government Bills: At the time of introduction, MPs can raise objections. Also, all bills need to be passed by both Houses. **Private Member Bills:** Any private member can introduce a Bill.	Of the 219 Bills introduced in the 14th Lok Sabha, 14 saw objections at the introduction stage. All these objections were voted down. Most government bills are passed as the governing party can issue a whip. In the 14th Lok Sabha, 92% of all speeches were in support of government Bills. 85% of speeches by the principal opposition party supported government bills.

Activity of Legislature	Remarks
	Only 14 private member bills have been passed, the last one in 1970.
OVERSIGHT	
Question Hour: MPs can ask Ministers starred questions (oral answers, with follow-up questions), or unstarred questions (written answers). The first hour of each day is reserved for Questions.	If the House runs out of time, written answers are given for starred questions. In the 14th Lok Sabha, only 15% of the starred questions were answered orally.
Zero Hour: MPs can raise issues that are of public importance under rule 377; Ministers give them written responses. They can also "call attention" to important issues, which are debated.	Most issues under Rule 377 receive response: As of end-March, about 95% of issues raised in the 14th Lok Sabha till end-2008 had received responses.
Adjournment Motion: An MP can give a notice to defer the normal business of the house and discuss an issue on a matter having serious consequences. Ministers reply to the motion and there is a vote.	Adjournment motions are seen as censuring the government. None of the adjournment motions in the 14^{th} Lok Sabha were passed. In the Budget Session 2010 an adjournment motion was moved for discussion on price rise but the motion was not passed.
REPRESENTATION	
Both question hour and zero hour can be used by MPs to raise issues related to their constituencies and regions.	In the 14th Lok Sabha, over half the issues raised by MPs in the zero hour related to their constituencies.
FINANCIAL	
Budget Approval: All government expenditure (except a few items specified in the Constitution) need to be sanctioned by the legislature. This is usually done as part of the annual budget process. **MP**	The time spent on discussion the Budget has reduced over the years, from an average of 123 hours in the 1950s to 34 hours in the last decade. The Standing Committees examine the budget: this process was bypassed in 2009

FINANCIAL	
	as Committees were not formed in time.
Local Area Development Scheme: MPs may identify projects and sanction up to Rs 2 crore per year for public works in their constituencies.	This scheme has been criticised as it provides executive authority to MPs. The Supreme Court has admitted a Public Interest Litigation to declare this unconstitutional.
COMMITTEES	
Parliamentary Committees examine issues in detail. They may invite public feedback. Standing Committees examine bills and financial demands of the government. They also examine important issues related to ministries and PSUs. The Public Accounts Committee oversees the financial functioning of the government based on audits by the Comptroller and Auditor General.	Standing Committee chairpersons may belong to treasury or opposition benches. Though most Bills are referred to Standing Committees, their recommendations are not binding. In several instances, these have not been accepted. About 75% of the recommendations of the Public Accounts Committees were accepted by the government during the period of the 14th Lok Sabha.

Sources for Tables 1 and 2: Law, Privileges, Practice And Precedents, Subhash Kashyap, New Delhi, 2007; Rules of Procedure and Conduct of Business in Lok Sabha and Rajya Sabha; Directions of the Speaker/Chairman; “The Indian Parliament as an Institution of Accountability,” Devesh Kapur and Pratap Bhanu Mehta, UNRISD, Jan 2006; “Cheating Parliament,” A.G. Noorani, Economic and Political Weekly, Aug 10, 2002; “Legislature’s Supremacy and Executive’s Excess,” Dharam Vir, Economic and Political Weekly, Feb 17, 2007; PRS.

While a number of institutional mechanisms exist for Parliament to monitor and oversee the executive, parliamentary practice in recent years indicates that effectiveness of these mechanisms is extremely limited. These could be attributed to flaws in institutional design that thus on occasion allow the executive to exercise prerogative against the considered opinion of the parliament. For example, the Parliament does not have the power to convene itself. The executive has the prerogative to decide if and when the Parliament should convene, subject to the constitutional requirement that six months shall not pass between two sittings of Parliament. The number of sittings/session days in the Lok Sabha and Rajya Sabha have steadily declined in recent years. In 2008, the year of the trust vote on the Indo-US civil nuclear agreement, the Parliament met for a record low of 46 days during the year. And to add insult to injury, when Parliament met towards the end of the 2008, the session was called the extended monsoon session. This was done in a bid by the government to exploit a technical definition to save itself, which says that in the same session of Parliament that a no-confidence motion cannot be moved more than once against the government on substantially the same issue.



There have been a number of voices that have argued for an increase in the number of sittings of Parliament. The National Commission to Review the Working of the Constitution recommended that a minimum number of working days for Lok Sabha and Rajya Sabha should be fixed at 120 and 100 days respectively. The Vice President as well as the Speaker of the Lok Sabha in several fora have reiterated the need to increase the number of sittings of parliament. In 2008, Rajya Sabha MP, Shri Mahendra Mohan introduced a private member bill to amend the Constitution to specify a minimum of 120 working days for parliament. In the winter session of Parliament 2009 the bill came up for consideration but the government opposed the concept of a minimum number of working days of parliament, thus resulting in the MP withdrawing the bill from the floor of the House.

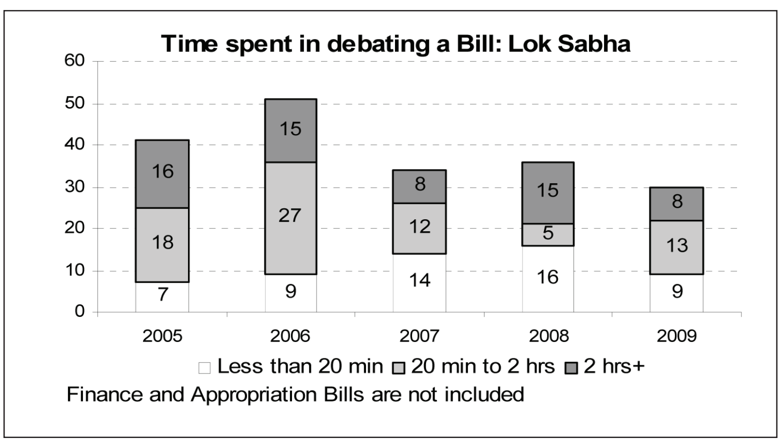
Moving beyond the issue of the declining number of sittings, it would be useful to see how Parliament is able to use some of the other tools available at its disposal. A key formal mechanism within Parliament to scrutinise the executive is the departmentally related parliamentary standing committees (DRSC) that came into force in 1993. DRSC as parliamentary committees were intended as a mechanism to strengthen the expertise of the Parliament and allow time for detailed examination of policy proposals of the executive.

Over the years significant business of Parliament is conducted in the standing committees. Thus DRSCs have extensive power within Parliament to review legislation, financial appropriations and expenditures legislation as well as scrutinize the activities of the Ministries and Departments of the Union Government. The system of standing committees functions as a link between the legislature, executive and citizens at large and is vested with the power to directly call the government to account and ask questions about its policies and programmes, to shape legislation, to scrutinize the budget and expenditures and to investigate special issues of public concern. Currently there are 24 DRSCs each consisting of a maximum of 31 Members of Parliament from the Lok Sabha and Rajya Sabha. In addition to DRSCs there are 3 Financial Committees – Public Accounts, Estimates and Public Undertakings to monitor the spending and performance of the government.

DRSCs perform two important oversight functions that involve detailed scrutiny of (i) bills introduced by the executive and referred by Parliament to the committee and, (ii) demand for grants of various ministries before they are voted on in parliament. While the statutory powers for scrutiny the committees have increased in the past years, the effectiveness of their scrutiny is constrained. All reports of the committee are tabled on the floor of the Lok Sabha and Rajya Sabha but are rarely deliberated and discussed in Parliament.

In the case of legislative scrutiny the role of the standing committee is to scrutinize the bill carefully, suggest recommendations or amendments and thereafter submit a report which would assist the house in its debate. The current norm is that the government is not bound to accept the recommendations made by the standing committee. The Executive is not required to place on the floor of the House, its reasons for not accepting any recommendation made by the standing committee on any bill considered by it. For example, in the Food Safety and Standards Act, 2006, the government did not accept any of the committee's recommendations. Such practice compromises the effectiveness of the effort made by Parliament to scrutinise the executive in an informed manner.

This is further exacerbated by the fact that in Parliament the time available for detailed deliberation on bills is extremely limited. On several occasions i.e. in 2008, sixteen bills and in 2009, nine bills were passed with less than twenty minutes of debate on each of them.



Passage of bills with little or no deliberation reinforces the power of the executive, thus making the detailed scrutiny of the bill by the standing committee redundant to the oversight power vested in parliament.

Every year soon after the General Budget is tabled in parliament, Parliament goes into recess for about three weeks while detailed estimates of ministries' expenditure, called **Demands for Grants**, are examined by standing committees. The standing committees submit reports to the Lok Sabha on each ministry's Demands for Grants and subsequently a detailed discussion takes place in Parliament. The Demands for Grants are then voted on by Parliament. However, the Demands for Grants which have not been voted on by the last day fixed for the purpose are 'guillotined', i.e. they are voted upon together. Table 2 and 3 illustrate data on 'guillotining' of Demands for Grants by ministry and by voted monies in crores.

Table 2: Demands for Grants by Ministry

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Total Ministries	52	52	53	54	53	54
No. of Ministries - Discussed	0	4	3	3	4	6
No. of Ministries - Guillotined	52	48	50	51	49	48
% Guillotined	100%	92%	94%	94%	92%	89%

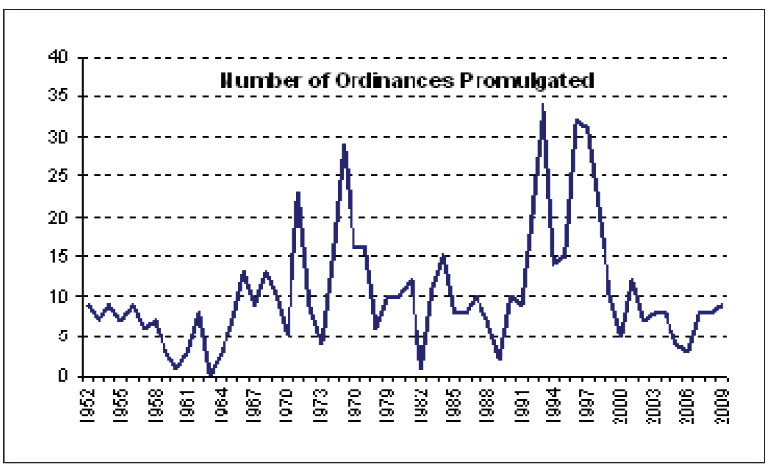
Table 3: Demands for Grants by voted component (In crores)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Total	339300	384844	448109	547020	597662	887194
Demands for Grants - Discussed	0	57217	74053	29017	223734	187495
Demands for Grants - Guillotined	339300	327626	374057	518003	373928	699699
% Guillotined	100%	85%	83%	95%	63%	79%

The trend in the discussion on Demands for Grants in Parliament is that almost all ministries except a handful are guillotined. In 2008 for instance, only the Demands for Grants of the Defence Ministry, the Home Affairs Ministry and that of the Rural Development Ministry were discussed separately. Such lack of scrutiny of the most important policy statement by the government during each year, cannot be helpful in making our democracy strong and robust.

The Indian Constitution allows the President, on advice of the government to promulgate an Ordinance to make a new law (or amend an existing one). The purpose behind giving the executive this power is to enable the government to make decisions when Parliament is not in session, or in case of an emergency. However, it is required that the ordinance is ratified by Parliament within six weeks of its next sitting or the ordinance is considered to have lapsed.

The government promulgated nine ordinances in 2009 which was the second highest figure for the past decade. In October 2009, the government issued an ordinance to change the price at which it purchased PDS sugar, and a subsequent order to change the pricing formula for sugarcane. The first two days of the winter session 2009 saw disruptions on this issue, and the government agreed to roll back some of its measures. While many ordinances may be legitimate and justified, there is a case for stringent oversight by Parliament to prevent the executive to their powers, which may be right is letter, but at the core go against the spirit of our constitution.



Suggestions on making Parliamentary Scrutiny more Effective

Having expressed concern over Parliament's ability to fulfil its core responsibility for oversight and scrutiny of the executive, we conclude this paper with some recommendations that can make Parliament more effective as an important pillar of governance. The fact that despite a detailed list of how in theory Parliament is expected to scrutinise the work of the executive, in practice all of these well intentioned ideas do not add up to much. If ideas, however good they might be, are not backed up with adequate resources, then they are being set up for failure. So by creating a number of mechanisms for Parliament to ostensibly scrutinise the work of the executive, and under equipping them with staff and resources, we have collectively failed the institution of Parliament. And all this often gives enormous scope for a number of people to judge our Parliament and MPs in great haste, often painting everyone with the same broad brush.

For example, we believe that if Parliament is to hold the executive to account there must be formal mechanisms that empower Parliament to carry out its activities. In practical terms, how do you strengthen the ability and degree of autonomy that the legislature has in holding the executive to account? The practical autonomy of the executive arm of government is relatively easy to recognise, given that the Prime Minister and Council of Ministers have institutional machinery in their department bureaucracy that provide them with research and administrative support to carry out their duties in drafting laws and implementing programmes. On the other hand, the legislature and MPs have little access to resources and research support that specifically address their responsibility as scrutinising government and enables them to effectively discharge their oversight duties. This unequal distribution of resources between the Parliament and executive has serious implications for the overall quality of governance of the country.

Currently the Parliament secretariat is staffed with highly skilled and professional officers and the library in Parliament house is possibly the best in the country. However, parliamentarians have complex needs when scrutinising legislation. They need to understand and examine bills on a wide range of subjects, technical and nuanced in nature and full of legalese. Without competent research staff it is impossible for any MP to raise incisive, tough and complex policy questions that come up for debate with the executive and effective discharge their role as watchdogs of the executive.

Accountability of MPs within Parliament is the stronghold of and determined by allegiance to the respective political party. In the set up of Indian parliament, whether an MP is part of the executive or legislature is determined by the political party they belong to and therefore are required to adhere to party interests rather than their individual discretions. This structural issue is further exacerbated by the anti-defection law passed in1985 that added the Tenth Schedule to the Indian Constitution through a Constitutional Amendment (52nd). The anti defection provisions provide stability to the government by preventing shifts in party allegiance. These provisions also ensure that MPs elected on the basis of their membership to a political party remain loyal to the party policies.

Anti defection provisions have a significant impact on the way MPs as individual legislators are able to express their views inside Parliament and scrutinise and criticise the executive. Even though MPs may have leeway in expressing concerns of their constituents they are bound by anti-defection law and cannot voice or vote on their individual discretion, if it contravenes the official party position.

These suggestions for strengthening Parliament are only a tip of the ice-berg with regard to what really needs to change in our system to strengthen the capacity of Parliament to scrutinise the executive. Most things that need to change in Parliament do not require massive allocations of funds, but they do require a massive change in mindsets of our political leadership across party lines.

There are some things that the executive must act on, but it is critically important for MPs to start articulating these and other ideas they might have on how to strengthen the institution. If there is a general belief that Parliament is functioning well as an institution, then perhaps we may be excused if we do not take action. But when there seems to be widespread acknowledgement that Parliament is in need of urgent reform, our inaction at this time will not be excused by the generations to come.

Raghu Dayal

Improving Urban Governance

Cities: engines of growth

Cities have been termed a prism for the genius of civilizations. Cities' development is synonymous with human development. No country has reached a higher stage of development without urbanization, with all high income countries 70-80 percent unbanized. Signifying general economic growth having emanated along coastal belts, a majority of the world's cities are located on coasts or river flood plains, especially mega-cities like Dhaka, Mumbai, and Lagos. Already, coastal urban centres are home to almost one billion people worldwide. About 60 percent of the global population lives within 100 kilometres of the coastline.

During the last century, urban population in India rose ten-fold, from 27 million in 1901 to 285 million in 2001, and by 2020, India's urban population is expected to be nearly 480 million, over 39 percent of the total population, and touch 50 percent by 2050.

Factors driving urbanization

As economic activities, particularly in the manufacturing and service sectors increase, the transaction cost of mobility declines and the rate of migration increases. Agricultural prosperity and enhanced productivity become a spur to off-farm and non-farm jobs, leading to urbanization. Advances in agricultural productivity that came with the beginning of irrigation some 6,000 years ago in the fertile soils of the Euphrates Basin freed up people to create the first cities. Several thousand years later, the Industrial Revolution gave cities another impetus.

Urbanization is associated with higher incomes, improved health, higher literacy, and improved quality of life. Other benefits of urban life are less tangible but no less real: access to information, diversity, creativity, and innovation. Yet the urban poor often live in environmentally unsafe areas, such as polluted sites near solid waste dumps, with open drains and sewers, and near industrial sites. The sites are typically more vulnerable to floods, landslides, and earthquakes, with substandard housing. The forces of urbanization exact costs. Existing infrastructure is strained as population increases. Traffic clogs the streets and smog pollutes the air. Land and housing become prohibitively expensive. The proportion of urban poor is usually increasing faster than the rate of urbanization. Plato's observation in 400 BC that "any city, however small, is in fact divided into two, one the city of the poor, the other of the rich" holds true even today.

Overwhelmingly depressing

Bigger city size and economic density bring their own problems, costs of density, the diseconomies of agglomeration. The world's largest city, Tokyo, home to a quarter of Japan's population, is packed into less than 4% of its land. Cairo produces more than half of Egypt's GDP, using only 0.5% of its area. For people and firms, city living comes at a price in both developing and developed countries. Traffic in central London moves at only 11 miles per hour—the same speed as horse drawn carriages a hundred years ago. Beijing is notorious for its pollution-induced smog. Land in Mumbai is among the most expensive in the world. High levels of crime are an accepted feature of city living around the world.

Poverty, unemployment, disease, crime, and population have plagued urban centres for 10,000 years. The greatest threats to human health in the developing world are posed by soot, dust, lead, and microbial diseases.

Although cities cover less than 2 percent of the earth's surface, they account for 78 percent of carbon emissions, 60 percent of residential water use, and 76 percent of the wood used for industrial purposes. Epidemiologists see this as a public health hazard of historic proportions. An estimated 110 people die prematurely every day due to air pollution in 36 Indian cities, and 57,000 persons have to be hospitalised or need medical treatment every day.

Central issue of governance

Indiscriminate and unprecedented growth of the cities during last few decades as in Mumbai has inevitably entailed ecological hazards, pushing out the countryside. The hardy annual of torrential rains and floods as in 2005 cause huge loss of life, property and business. It tantamounts to Mumbai's destruction of ecology and natural drainage by unregulated developments as well as by building up in the natural drainage basins.

Urban problems are not urban in isolation; they are nationwide problems. Cities in India truly reflect the country's pathetic governance. On the threshold of a new millennium of a liberalised market economy, the country is stuck with the sad spectacle of its metros turned pigsties, filth and floods, sloth and squalor, taking a toll of life and property time and again, cholera and jaundice, typhoid and gastro-enteritis raging every now and then, dengue keeping constant company, appalling *chawls* and shanty settlements mushrooming, with no effective urban development management, little preventive health care, not even basic and elementary education to arouse and inculcate civic conseionsness.

The citizenry is faced with gruesome realities: unkempt and filthy colonies, stench oozing out of garbage heaps, drains which are clogged, vagrant cattle on roads, roads full of craters, manholes left uncovered to be veritable death traps, municipal schools and hospitals in a constant state of decay, encroachments of streets and pavements, roads and facilities, 'blue lines" and DTC greens mowing down pedestrians, streets and pavements overrun by hawkers, squatters, shrines and kiosks, ever sprouting slums cheek by jowl amidst shopping malls and multiplexes, residential areas fast turning into commercial complexes, incessant traffic snarls, and the people's sensitivities benumbed by the endemic apathy as much as arrogance of the powers that be. Truly, Rogin's rule prevails; "you can always get more of what you don't need - including poverty."

Thousands of unauthorised settlements and buildings spring up every summer, all regularised sooner or later.

Innumerable processions hold back traffic. The city takes a pledge to go greener, but the rape of the ridge does not stir its conscience. Delhi is sought to be made a tourist attraction replete with musical fountains, parks and casinos, but elementary sanitation cannot be ensured; beggars and touts cannot be kept away; even the rapacious onslaught on monuments of heritage cannot be curbed. In fact, they are abused, defaced and exploited right under the nose of everyone in power whose obligation it is to protect, nurse and preserve them.

The Shanghai mirage

The growth of a city like Delhi is not unexpected. Innumerable blueprints have been made and plans sketched. In a way, Delhi is hailed as the country's special child, a pampered city. According to the 1991 census, 79 percent of the Delhi households have electricity, 96 percent safe drinking water and 63 percent toilet facilities. Against an all-India average of 16 percent, as many as 58 percent of the households in Delhi have all these three facilities, second only to Chandigarh. The boast by Dr Manmohan Singh, and his predecessor Mr Atal Bihari Vajpayee, that Mumbai would soon be like Shanghai began to ring hollow before it was uttered. Likewise the absurdity of the slogan of Delhi to soon become "the most beautiful city in the world" is evident. It remind of Sir Humphrey Appleby in the BBC serial *Yes Minister* observing: 'it is the law of Inverse Relevance, the less you intend to do or you are capable of doing some thing, the more you have to keep talking about it'.

In stark contrast to Mumbai or any other city in the country, Shanghai has dazzled the world with the extent and speed of its development. Termed as late as in the early 1990s, "dirty and murky", and its people "grouchy", this Pearl of the Orient today is a throbbing metropolis. What was only marshland until some 20 years ago, Pudong on its outskirts now sparkles as Shanghai's new financial district. Pudong has set its sights still higher; world's tallest building here enshrines Shanghai's high growth and China's vaulting ambition. The city is well endowed with state-of-the-art infrastructure of pulsating ports, *avant garde* air terminal, and a maze of expressways, besides the $ 1.2 billion Maglev, world's fastest train, streaking past at 430 kmph.

Urban Management

A central issue in urban management is the inadequate or unequal provision of basic infrastructure — water, waste disposal, and power — to urban residents. India's core publicly provided services such as water supply (both rural and urban), power, education, policing, sanitation, preventive and promotive health services, road construction, and implementation of poverty programmes, face enormous pressures. The daily supply of piped water in urban areas is found to be much lower in India than in other developing country cities around the world.

Infrastructure investments have often been misallocated - too much to new investment, not enough to maintenance; too much to low priority projects, not enough to essential services. And, then, the delivery of services has been hampered by technical inefficiency, outright waste and, of course, graft which has assumed elephantine proportions. In fact, it is an archetypal instance of the fence merrily devouring the crop: resources are siphoned off in myriad specious ways - roads are laid and carpeted, only to disappear or deep cratered with the impact of the next rainfall; electricity is "stolen" with impunity; sub-standard equipment plays havoc with the delivery of essential services. Men on rolls do not show up on duty - and yet are marked present in the muster, inspectors and supervisors eking out their "cuts", senior officers choosing an easy way out and turning a blind eye.

The urban sprawl

Some new towns were built around metropolitan areas to alleviate the pressures that the large cities faced. Navi Mumbai was established in 1972 with the hope of developing a twin city for Mumbai, and to decongest Mumbai. Although not as a well planned attempt to decongest Delhi, the new sprawling townships at Gurgaon and NOIDA are in a way its extension. Growth is overrunning traditional municipal boundaries, with many urban agglomerations spreading into large tracts of outgrowths or peripheral urban areas.

The reality of recent years has been for the city to spread out; the strength of the shift cannot be underestimated. The centrifugal movement has been described as the pre-dominant socio-spatial trend in advanced capitalist countries in post-war years. Others have concluded that the urban future has already been declared in Edge Cities – high rised semi-diminished, job-laden, road-clogged communities of enormous size, springing up on the edges of every urban fabric where nothing existed 10 years ago but residential suburbs or cow pastures. There are 14 edge cities in the Washington D.C. area alone. The traditional downtown has been replaced by urban regions such as Silicon Valley in California, where enterprises are concentrated along major roads and highways, transforming the urban landscape into a string of '100-mile cities'. Our own Delhi-Gurgaon-Bhiwadi belt has the pretensions of an evolving Silicon Valley.

Rural-urban integration

Beijing, Guangzhou, and Shanghai—all thriving areas—have plans to link rural and urban areas: to provide education and health services, invest in infrastructure and transport networks, and construct townships. The governments provide vocational training and other services to support nonagricultural employment and help farmers transition from agriculture to non-agriculture. These three cities have encouraged traditional industries to move from the central business district (where rents are quite high) to the periphery (using fiscal incentives) and allow high value-added industry to move in to the core area. A township construction programme was launched to have a city system centred on an inner city of 10 million inhabitants, surrounded by secondary cities, central towns and villages.

The slumdog syndrome

More than one-third (36.5 percent) of urban populations is estimated to live in slums globally. Sub-Saharan Africa has the highest share at 62 percent. Much of the growth in urban slums in developing countries is fuelled by in-migration from rural areas. Slums are the nexus of poverty, poor housing, inadequate infrastructure and services, crime and violence, evictions, and now, increasingly, man-made and natural disasters. According to the Census 2001, India's total slum population aggregates above 42.6 million or 15% of the total urban population. The increasing slum population had been prompted by rapid industrialization and growing job opportunities in selected pockets in the country. Maharashtra has emerged with the largest number of slums accommodating about 10.7 million persons in 2001, constituting about 26% of its urban population.

Land: a crucial factor

Land is limited and as economic growth occurs, it has to be used with increasing intensity. Most cities are "consuming" land disproportionate to their population increase. Rising traffic volume, the proliferation of private automobiles, and the patent policy failures in public transport have made "gridlock" a prominent feature of the Asian metropolises, be it Bangkok, Manila, Dhaka or Delhi. Successful cities have relaxed zoning laws to allow higher-value users to bid for the valuable land—and have adopted flexible land use regulations to adapt to their changing roles overtime.

Stringent restrictions on land use produce shortage of affordable housing hurting migrants to a city. Bangladesh has a per capita income of $1,230, less than 3 percent of the US per capita income of $44,070. But in Dhaka prime land prices are similar to those in New York City.

In the 1960s and 1970s, city planners decided that Bombay's population should be controlled at about 7 million. But today the city is more than twice the intended size, with the highest population density of any metropolitan area in the world. Estimates indicate that 54 percent of Mumbai's 16 million people now live in slums, and another quarter in degraded apartments. The Floor Space Index (FSI) regulations in Mumbai, introduced in 1964, stipulate the maximum building space for every square metre of the plot of land. In Mumbai it was set at 4.5. The standard practice in cities with limited land is to raise the permitted FSI over time to accommodate urban growth, as in Manhattan, Singapore, Hong Kong, and Shanghai. Instead, the Municipal Corporation of Greater Mumbai in 1991 went the other way, lowering the permitted FSI to 1.33. As a consequence, space utilization in Mumbai averages 4 square metres, much less than the 12 square metres in Shanghai and the more than 20 square metres in Moscow. And about half of its residents are huddled within 2 kilometres of the city centre. Rent control regulations freeze 30 percent of Mumbai's housing stock, leaving it dilapidated. Weak property rights imply that only 10 percent of the housing stock has legal title, so land redevelopment is curtailed. The result is a vicious circle of supply shortages and high land prices. (WDR 2009; Bertaud 2003).

JNNURM

According to a CRISIL Infrastructure Advisory estimate, the investment requirement in the urban infrastructure sector including urban transport over the next 15 years is in excess of Rs. 500,000 crore. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one recent initiative by the Government towards reform and financing of urban infrastructure. The programme takes urban infrastructure provision in the mission mode, incentivizing the state and the local bodies to undertake structural reforms through incentive-linked financing programmes. It takes onboard 23 reform initiatives which include, *inter alia,* elimination of distortions in land and housing markets, more rational pricing of municipal services, empowerment of urban local bodies with property tax and user charge reforms. Cities were first expected to prepare a city development plan as a strategic document for its long-range integrated development. For most of the JNNURM cities, its framework provides for at least 70 percent of the project cost as grant. One of the reform milestones is for the cities to explore the PPP option in improving service delivery. There are reports of a capacity vacuum in the urban local bodies even for preparing proposals under the JNNURM.

Many of the state governments not only do not cater for adequate revenue to the urban local bodies, but even go about abolishing the local taxes for electoral gains leaving the urban local bodies with significant unfunded mandates. Losses of electricity due to theft and technical factors remain stubbornly high, at around 32-35% of net generation on average, and much higher in some states. Inefficiencies in the collection of bills means that aggregate technical and commercial losses are around 40-60%. In Punjab and Rajasthan, the recent abolition of property taxes is a case in point. In other urban local bodies their inability to effect periodic revision in property valuation has rendered the tax inelastic in raising revenues. Intergovernmental transfers from the state to local governments are characterized by discretion and lack of practicability and often serve as disincentive to revenue generation. The local bodies have failed to collect user charges to bring about stronger link between revenue and expenditure decisions and have failed to raise resources from the sources of revenue assigned to them. Moving towards user charges does not mean ignoring the very real concerns of poorer citizens. Tariffs can be increased to reflect sound commercial principles whilst protecting the poorest. The evidence suggests that, by and large, the subsidies that prevail, for example, in the Indian water system do not benefit the poorest domestic consumers.

Revenue from property taxes is low, many of the properties are not included in the tax base, undervaluation of those included is phenomenal. Even when the tax is levied, it is not collected. Rent control act has added to the problems. Analyzing expenditures and revenues for the year 2004-05, in a diverse sample of five big corporations and sixty three smaller urban local bodies (ULBs) dispersed in 13 districts in five major states, it was found that, apart from only five smaller ULBs in Hyderabad, the other ULBs are not in a position to cover their expenditure needs by their present revenue collections.

High wages in Public Spending

If the existing system treats the "benefits" of public spending as gains to the public sector itself, then putting more money into this system without any accompanying reform simply reinforces the existing system. High wages with little accountability for actual service delivery make public sector agencies an obvious target for patronage hiring, which results at times in massive overstaffing. The Mumbai Municipal Water Corporation has 35 workers per thousand connections, whereas well-functioning utilities elsewhere have about 3 per thousand. An essential concomitant feature is of privatisation of civic delivery services. It is pointless for MCD, for instance, to own, maintain and operate its own fleet of dumpers and other vehicles, most of which remain dormant, idle and sick. Privatisation of several civic services has been gainfully tried especially in Gujarat, Maharashtra and Kerala.

Democratic decentralization

The Constitution (Seventy-third and Seventy-fourth) Amendment Acts, 1992 provide for gradual devolution and localization of development and decision making functions. Decentralization alone is no panacea. Implementation is all important. Decentralisation creates an opportunity to *unbundle* responsibilities across tiers of government in order to assist citizens in getting the information they need to create accountability for performance. Decentralization in creating new lines of responsibility also creates opportunities to strengthen the "demand side"—the mobilization of communities from the bottom up to demand better performance with better information and greater scope for voice. India's active, functioning, highly competitive, electoral democracy has not served as an effective accountability mechanism for improving service delivery. As Michael Walton of Harvard Kennedy School recently said, cities in India suffer an effective democratic deficit at the city-wide and local levels. The state, not the city, is the dominant locus of political power and management of resources. Authoritarian states on both the "right" and "left" have far outstripped India's achievements, not just economically, but in outcomes in human development.

One of the most critical factors responsible for the current breakdown of accountability relationships in the compact is the frequent transfer of civil servants, often for blatantly political motivations. When average postings last only a year or two, the ability of career civil servants to really master a subject is called into question. The temptation is to not invest in the substance but just keep the machinery rolling until the next job. The Accredited Social Health Activist (ASHA) being created under the National Rural Health Mission, launched in April 2005, reflects a more innovative approach: ASHA will not hold a regular government post; instead, she will be eligible for a range of honorary payments linked to her success in achieving higher levels of service coverage.

While there are millions of dedicated civil servants—teachers, health workers, policemen, engineers, registration officials—attempting to do their jobs well in spite of the systems that work against this, all too often attempts to seek services from the public sector encounter workers who are absent, incompetent, indifferent, and outright corrupt. The political scientist James Scott described "bureaucratic high modernism" as the constellation of (a) the belief in "the state" as the progressive social force, (b) the use of the "modern" civil service bureaucracy as the instrument of implementation, and (c) the belief that social problems are technical problems solvable by using government resources to create assets that meet "needs" in a cost-effective way. India has been a classic case of this approach—as problems have been addressed with "schemes" and "missions" that are top down, with narrow objectives, and have been carried out by a civil service with exclusively internal accountability mechanisms, if at all.

Reform Initiatives

There are five elements that cut across promising reform initiatives that are the counterparts of the current weakness: (i) clearer *delegation*—the absence of delegation that would support accountability. There is only internal accountability for process and inputs without any clear monitoring and responsibility for outputs and outcomes; (ii) stricter *unbundling*—a distinct separation—of the roles of the government as the entity that sets goals, gives financing, enforces the "rules of the game" and the role of government as a direct producer of services; (iii) more *autonomy* for providers to use flexible means to reach their goals without undue political interference in decisions; (iv) greater *external accountability* through better information; and (v) better *enforceability* in the system—whether between citizens and their elected officials or directly on frontline providers.

Citizen Report Cards

A stray and ad hoc initiative, among many others in isolated cases, which have proved useful, is of the citizen report cards. It is rated as a successful experiment in strengthening public services through information flows can be found in the work of the Public Affairs Centre (PAC), a Bangalore-based NGO. "Sulabh" has done a commendable job, which needs to be replicated. Again, the Calcutta Metro held out an outstanding example of people's own initiative and response to a challenge, their sense of pride and ownership generating a spirit of care and belonging. This spirit has to be promoted and fostered. Of course, Right to Information Act has been hailed as a landmark development. The more the government creates information that is reliable, regular, and relevant, the more useful the legislation can be. The Right to Information law creates enormous scope for citizens to know what is happening—but it is only a promise that will require support to become a vehicle for service improvements. Delivering services through public sector institutions involves a long route of accountability. In a democracy such as India citizens must be able to use the political processes to hold their state accountable for the services they receive.

There are other successful examples such as the e-*sewa* in Andhra Pradesh and the Bhoomi land registration process in Karnataka. The Hyderabad Metropolitan Water and Sewerage Board succeeded in becoming more responsive, while Bangalore and Surat are two major cities that have sought to reshape urban governance and service delivery. A software package in Metro Water provided senior managers with a regular stream of performance-related data that could be used to hold front-line and middle level managers accountable for service quality and compliance with the norms in Metro Water's citizens' charter (*Reforming Public Services in India*: World Bank).

In Gujarat an attempt to reduce corruption and delay in the collection of entry taxes at the state border began with promise, but since the incentives of the agents to divert revenues into their own pockets (abetted by powerful others) were not checked by a complete re-engineering of the process, discretion is reported to have crept back into the system. Similarly, an attempt to computerize the registration department in Andhra Pradesh did not produce the expected benefits; substantial bribes were still collected, even in the computer-aided administration of registration transactions. PRAJA, a Mumbai-based NGO that collaborated with the Brihan-Mumbai Municipal Corporation to set up an online complaint and monitoring system (OCMS), has been found useful.

Areas which need attention are the use of biotechnology in the treatment and disposal of wastes, information technology in city planning and service-delivery options, energy saving and cleaner technologies in urban transport, and high-tech, low-cost materials in building and housing. Some examples of technology that could assist the cities are common billing and smart cards, incorporating user–based charges for access to roads, electricity, and water on a basis that encourages efficiency and improves the environment. Major economies can be achieved by sharing service areas such as billing and tariff collections, cable laying and maintenance, and other common services and management overheads. Too many intervening institutions, often with overlapping jurisdictions and sometimes contradictory goals, lack coordination in street excavation and trenching for utility repairs, which are often poorly done. The road department paves a road, two weeks later, the electricity department digs it up. A month later, the telephone authorities dig it up, and so on. The stinking rubbish removed from the drains is piled up alongside where it hampers traffic. Sometimes it is removed a few days later, often to be pushed back in, leaving the drains clogged again. Sanitary staffs are paid without their work, all the repair funds melt away yearly along with the bitumen. What is planned is often not implemented, what is implemented is often not planned.

There is an obvious need to lay down the minimum standards of installations and maintenance of sanitation and hygiene infrastructure, roads, sewage, power and transport. The responsibility for execution of projects and normal maintenance has to be clearly delineated, and accountability rigidly enforced. A structured, mandatory inspection system for all supervisors and senior officials is the very *sine qua non*. Inspectors do not inspect, they only extort. Naturally, citizens bear the traumas of Uphaars. The inspection system must necessarily be effective with adequate and immediate deterrence in case of default.

Gigantic task

Of course, the task is indeed daunting. Never were these metros and towns ever designed to cope with the sheer magnitude and complexities of the task that they carry out today. The number of *jhuggis* in Delhi has shot up from 12,000 in 1951 to half a million. The city had less than one million vehicles just a decade ago; today, there are as many as 2.5 million or more. If population and disease don't kill, the capital's roads do. More than 2,000 people die in traffic accidents each year. The megascale migration is Delhi's special woe. It has steadily risen from a level of 38 % during 1961-71, and 57 % during 1971-81, to over 70% at present, conservancy services deserve a senior level exclusive administrator in each of the major conurbations and urban agglomerations. Waste management has emerged to be an important task that demands professionalism, commitment and technologies to condition the demands as well as the disposal..

Existing offices of public sector undertakings within Delhi should be encouraged to shift, whereas new offices of the public sector undertakings, to the extent possible within their operational areas, should be set up outside Delhi. While the decisions to shift a large number of government offices from Delhi have not been carried out, Government keeps setting up several new establishments in the capital city. Why shouldn't the Open University, the SAARC University, the Indira Gandhi Arts Commission, among others, be located elsewhere, in tier-2/3 cities?

The strategic plan for NCR must evolve alternative development strategies, resource allocation, performance criteria and significant values and standards to synergise among regional, sub regional and master plans. The NCR should be treated as a Common Economic Zone, with uniform standards of financial, resource and infrastructure development, ensuring rationalization of tax structure, extending uniform financial/banking services throughout NCR, integrated rail and road transport network, removal of restrictions on inter-state movement of taxis and auto rickshaws between the NCR States, provision of uniform telecom facilities throughout the region, and uniform power supply. It will also imply developing an integrated water supply and drainage system, education and health policy, pollution control, law and order machinery, besides provision of adequate financial resources in sub-component plans of participating States and concerned Central Ministries.

It was no rocket science that commissioner S.R. Rao embraced for tackling the problems. Among a whole lot of innovative initiatives Rao took in surat, the departmental milieu was abjured, chief engineers of SMC's main departments were appointed zonal commissioners, overseeing all functions within the respective zones with all financial and administrative powers of the municipal commissioner delegated to them. All senior officers including the commissioner were required to spend their mornings in the field, thereby monitoring the corporation workers effectively, also resolving their grievances and problems, if any, on the spot. The law was strictly enforced, e.g., restaurants violating hygiene norms being immediately booked, polluting industrial units penalized, illegal constructions demolished. For slums, SMC focused on installing community taps, widening and paving streets, providing community toilets, and constructing open drains to the city's sewer system. Private contractors were allowed to collect garbage and transport it to landfills, also to clean arterial roads at night. Like in Surat, the initiative in Calcutta paid off: drains were cleaned, garbage removed, roads repaired, encroachments cleared, and hawkers moved away.

The tryst with destiny which Jawaharlal Nehru evoked at the mid-night on independence day has eluded the countrymen for sixty long years. The lassitude of the government reflects crisis of politics as much as civil service, perhaps more of the latter. Politicians as well as bureaucrats have become gaggles of power brokers, jostling for power and position, perpetuating the malaise of looking for loaves and fishes, by sale of patronage, extortion and loot of the exchequer. A big national shame is that not even one city, not even Delhi, with no dearth of resources, can showcase an India of a billion people who never tire to claim they constitute an incredible nation ready to pluck the stars from the sky.

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P.S. Bawa

Right to Information Act – A Tool for Good Governance

The bureaucracy has viewed the Right to Information (RTI) Act, 2005, as antagonistic to its interests. It feels that there is an assault upon its bastion of privileges. The Act has made it accountable to people who may ask for information that was earlier the domain of only the legislature or seniors in the hierarchy, especially when the seeker 'shall not be required to give any reason for requesting the information or any other details except that those that may be necessary for contacting him' Sec. 6 (2).

The preamble to the Act does acknowledge certain inadequacies in administration that are required to be set right by promoting transparency and accountability, creating an informed citizenry, and to contain corruption, the overarching theme being to preserve 'the paramountcy of the democratic ideal'. The Act seems to have put shackles upon the independence of the executive by mandating supply of information, unless exempted, within a specific period, failing which penalties can be imposed for delay, mala fide denial, or giving incomplete or misleading information. So the bureaucracy considers the Act to be a bane. The administration resents the power of people to gaze into their discretion, taken-for-granted privileges, perks of position, and an assault to their discretionary powers.

But the administration has missed the point by focusing only on the obvious and not getting deeper into the Act. It has thus shown a tunnel view of the Act. It has missed the opportunity of toning up of functioning and rejuvenation of the department by unnecessarily getting worried of exposure to public. Taken in its true spirit, RTI Act has the potential to bring about the required change in the system of administration by shedding the cloak of the Official Secrets Act and getting under the obligation to do certain things that are generally ignored.

Methods of reading the text

There are two ways of reading the text. One method is what the text contains, explains, and focuses. The object of law is contained in the preamble, followed by the contents of law. Reading the legal text, one is normally overtaken by the obvious, the overt, and the direct. The Act appears to be concerned with issues of permissions, prohibitions, time limits, penalties, processes for seeking information, and justice in case of denial or delay, or dissatisfaction. These are self-evident on the face of it. This is the letter of law. I would call it a *static aspect* of law. It has the potential. Like a cracker, it shall operate when ignited. In other words, some one must invoke it to operate.

The other method is getting into the text to see whether there is any hidden meaning that can be excavated for benefit. There is often more to the Act than meets the eye, or is obvious. What is not said but implied is equally important, perhaps more so, in the context of its automatic operation. The implicit is crucial too, for it may have unintended consequences. This is the *dynamic aspect* of law. Along with the normal provisions, there is thus a hidden treasure that must be searched in all earnest. The meaning of the text, therefore, depends upon interpretation, derived from the letter of law but in the context of the spirit. This method can have synergic effect upon the achievement of objectives.

It is in this respect that Sec. 4 on 'Obligation of Public Authorities' is extremely important. It may seem marginal to the central theme of supplying the demand for information. But it is a 'how to' clause that mandates a few tasks on the public authority. Hidden within it is the *transformative aspect* of the Act that shall change the way bureaucracy works, thinks, responds, reacts, and delivers. This shall lead to an autonomous change in the ethos and processes of functioning. My task is to highlight the hidden potential of the Act.

Section 4 is a *suo motu*, proactive clause according to which all public authorities shall display all they do, plan, decide, spend, and the manner in which all this is done. The department shall showcase their wares under different heads. Hidden in these stipulations is a tool of management that can enable the administrators to introspect, articulate, and document. This will also help them to set their house in order and conduct this operation periodically. It shall lead to self-improvement by the organization. Insistence upon its compliance shall bear ample results if pursued by the department and insisted upon by people. There is no discretion as it is a 'shall' clause and not a 'may' one. Critical expressions used in this context are 'maintain, publish, provide, disseminate', and 'update' information. This will surely work as piecemeal engineering thus leading to administrative change.

A close reading of the clause will convince one that all that is required to tone up the level of governance is contained in it. While public authorities have been working in their own way, there has been no uniformity and adherence to the principles of good management. Section 4 lays down standardized and essential processes to achieve the desirable. Therefore, at the level of the denotation, the section implies the need for storing and updating information that should be available to the user so that information can be readily supplied with the object that, in the long run, there are less number of queries. But at the deeper level of connotation, the section signifies introspection, focuses on the essentials, and implies need for change. In view of the above, an attempt is made to spell out areas/principles for management of pubic authorities.

Efficient and Modern Maintenance of Records

Sec 4 (1) (a) prescribes that every public authority is required to (i) 'maintain all its records duly catalogued and indexed in a manner and in form that facilitates the right to information under this Act' and (ii) to 'ensure that all records that are appropriate to be computerized are, within a reasonable time and subject to availability of resources, are computerized and connected through a network all over the country on different systems so that access to such records is facilitated'. Inherent in this stipulation is the updating of records and proper maintenance thereof.

It is for the first time that computerization has been ordained by law. Till recently, this area has been left to the initiative and good sense of the officials or departments. There was no sense of urgency in this respect and there would have been no time limit by which this it was to be accomplished. By this direction, all departments, by and large, shall have to go the computer way that could usher, on its own, a new work culture, inspired and facilitated by the computer. Secondly, development of comprehensive information system and database are necessary for planning and policy formulation. This is the crux of the management information system. Thirdly, this would also open possibilities of e-governance and application of computers in management.

In view of the directions that all records are computerized, the organization can seek finances under the schemes of modernization of records and, unlike other areas, there is least likelihood of any difficulty in obtaining financial outlays.

Essential Articulation

Though modern management demands that vision, mission, objectives, and goals of all organizations ought to be defined and kept in view, yet a few of the organizations are conscious about these items. Very few organizations have their mission statements. Sec 4 (b) ordains the publication of '(i) the particulars of the organization, functions, and duties; (ii) the powers and duties of its officers and employees'; and '(iv) the norms set by it for the discharge of its functions'. Insistence on these is likely to ensure articulation that had been missing till now. The department's head would be compelled to indicate clearly on these aspects and make every employee conscious of his 'duties and functions' as well as 'powers' and the 'norms' by which he shall be judged.

It also lays down the manner in which work shall be evaluated. All this shall bring about self-consciousness if these spheres are crafted with care and circumspection and the employees informed about these. There is thus no choice with the organizations. They can no longer ignore this area or take a casual view. The law has not left it vague. The area is no longer a barren space but requires its filling up. No longer shall it be left to the discretion or initiative of the head of office. This too is an achievement of sorts.

There are two clues to good management. One, it would lead the chief to consider the contents of the mission statement of the organization, an essential feature of modern management. Two, this would also enable evaluation of work, once the mission and objectives to be achieved are clear.

Clarity of Procedures

Sec 4 (v) mandates that every public authority shall publish the rules, regulations, instructions, manuals and records, held by it or under its control or used by its employees for discharging its functions. This is a crucial direction in law that will help the users know their entitlements and the basis on which these can be denied or withheld. For instance, in the case of arrest in a bailable case, it is the right of a person to be released on bail. Or in compliance with the decision of the Supreme Court, no person shall be handcuffed ordinarily unless there is a justification to do so and that too under the information of the judicial authority. Similarly, if a person is entitled to a permit, a license, age certificate, a passport, a job-verification, school leaving certificate, etc., he shall get it in accordance with the procedures known to him. This knowledge of procedures shall help him comply with all the requirements so that his due is not delayed. This will also save the individual from being exploited by the secrecy of procedures that prevents him from knowing the reason of denial of a right.

The implication of this direction is that rules, shall be framed and enactments where rules have yet to be famed by the government. Without formulation of rules, the operation of the legislation is infructuous. Secondly, this would ensure the preparation of citizen's charter so that people know of their entitlements and the procedures to get their due. There is thus an indirect insistence upon formulation of citizens' charters.

Public Participation

There is often a call for public participation in government management. But this is never articulated in functional form. The public authority now has been required to indicate and publish as per Sec 4 (b) '(vii) the particulars of any arrangement that exists of consultation with, or representation by, the members of the public in relation to the formulation of its policy or implementation thereof; (viii) a statement of the boards, councils, committees and other bodies consisting of two or more persons constituted as its part or for the purpose of advice, and as to whether the meetings of those boards, councils, committees and other bodies are open to the public, or the minutes of such meetings are accessible for public'.

There are two implications. One, it is likely to lead to formalization of committees that must meet periodically. This is important in view of the fact that many of the committees do not meet for a considerable length of time, even for years. This stipulation shall bring about a degree of regularity in the process. Secondly, most of the committees had not been drawing up proper minutes as these used to be household affairs. No such casual approach would be admissible as the proceedings and the decisions shall be open, wherever prescribed. A corollary of this mandate is that the minutes shall help in the follow up of decisions and therefore a proper monitoring of implementation. This is a professional approach to work. Drawing up the minutes shall make the department conscious of the need to comply with decisions and ensuring progress or indicating present difficulties, both of which are desirable for final outcomes.

This is further relevant in view of the fact that many organizations still have not constituted various boards required to make the laws operational. This is true for the social legislation on children, women, senior citizens, and environment. In an unusual case the Committe on Environment did not meet for eight years. Ordinarily, public participation is more of a lip service than a serious effort at it. The stipulation in the section makes it obligatory to take it seriously. This is likely to ensure authentic public relations and participatory management.

Transparency in Financial Dealings

The public authority shall also publish (xi) 'the budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditures and reports on disbursements made'. In order to ensure that the budget is spent wisely, appropriately, and duly, sec 4 has laid down publication of '(xii) the manner of the execution of subsidy programs, including the amounts allocated and the details of beneficiaries of such programs' and '(viii) particulars of recipients of concessions, permits or authorizations granted by it'.

Transparency in financial dealings is crucial in the government schemes pertaining to subsidies, and especially those for the poor with regard to employment, food, and shelter.

The need for this directive may be seen in the context of false muster rolls, defalcation of funds, and other financial irregularities that had been the norm in the development schemes with shoddy or no work on the ground, delays in implementation, and misuse of funds. The Member of Parliament Local Area Development Scheme (MPLADS) funds that were under severe scrutiny of the CA&G report would also fall under this category. Compliance with this section shall ensure more effective implementation of the NREGA.

Speaking Orders

One of the problems of bureaucratic handling of issues has been lack of speaking orders. Hence many people have to appeal to the courts and get relief against orders that have no backing of reasoning. Sec 4 (d) lays down that the public authority shall 'provide reasons for its administrative or quasi-judicial decisions to affected persons'. This implies that in all matters relating to entitlements or decisions that can also affect the others, the authority so doing shall have to 'provide reasons' thereof.

All administrations are engaged in implementing laws. It is in this capacity that they grant or refuse a request. To some the right is granted, to others it may be denied. In all cases of refusal the petitioner has a right to know the reasons so that if the order does not appear just, reasonable, and fair, he could take recourse to appeal. And since the orders can be appealed against, the public authority shall have to record reasons of a decision. This implies too an application of mind and the assurance that the order is not arbitrary or whimsical. All this would mean justice and a culture of making speaking orders, a direction given by the apex court in many a decision.

The need for speaking orders has been repeatedly stressed upon by the Supreme Court in various judgments. There may be cases when the orders are illegal, unreasonable, arbitrary, contravene prescribed procedure, cause breach in rules of natural justice, or prompted by mala fides or extraneous considerations that may result in abuse of power. Therefore, the authority using discretion h been directed to ensure application of mind. (2006 AIR SCW 1672). The directions have been repeated in *AOC v Santosh Kumar* (2006 A IR SCW 2849), *Union of India v Jai Prakash Singh* (2007 AIR SCW 1692), and *Daya Ram v Raghunath* (2007 AIR SCW 4311). In *M/S Gopal Enterprises v State of Jharkhand* (2008 AIR SC 1609), the Supreme Court has held that summary disposal of application without assigning any reason in improper. It suggested that giving reasons is salutary requirement of natural justice. In another case, the apex court held that 'failure to give reasons amounts to denial of justice' (*State of Meghalaya v Meeken Singh N. Marek* 2008 AIR SCW 4726. 'Reason is the heartbeat of every conclusion and without the same it becomes lifeless' (*Raj Kishore Jha v State of Bihar* 2003 AIR SCW 5095). Speaking order is thus required to indicate the application of mind so that the affected party can know why the decision has gone against him.

Lord Denning has, in the context of administrative orders, said, 'The giving of reasons is one of the fundamentals of good administration'. The Supreme Court in another judgment has mentioned that 'Failure to give reasons amounts to denial of justice. Reasons are live-links between the mind of the decision-taker to the controversy in question and the decision or conclusion arrived at' (2008 AIR SCW 2858). It further reiterated that reasons substitute subjectivity by objectivity. If the decision reveals 'inscrutable face of the sphinx', it can, by its silence, render it virtually impossible for the courts to perform their appellate function. The 'inscrutable face of the sphinx' is ordinarily incongruous with the judicial or quasi-judicial performance' (2003 AIR SCW 944). Hence there is a strict mandate to issue speaking orders.

Supervision and Accountability

Contained in Sec 4 at sub-clause (b) (iii) is a direction that the public authority shall publish for the information of people 'channels of supervision and accountability'. Although supervision and accountability have often been used in management literature and official jargon, yet it had never found any space within legal construction. The fact of appeal, in a way, is a supervisory function. But it is not a satisfactory method as many people are unable to resort to this method, scared of losing a battle with the authority. The supervision in the form of inspections and notes is lax and taken for granted. Sec 4 shall obligate upon the seniors and supervisory officers to be regular in their tasks because any citizen may require information on this aspect. They shall be conscious about the use of resources as someone might ask about the wrong or flagrant deployment of manpower, or the delay in the issue of completion certificate of construction.

Since seniors are accountable, they shall have to be careful about financial proprieties, disciplinary rules, personnel management, budget utilization, and matters of general administration. Therefore, in-built is the focus on follow up, evaluation, and monitoring that have been missing from the administration.

Conclusion

Sec 4 is thus a boon as it shall lead to a refinement in the functioning of administration. What many administrative reform committees and commissions could not achieve may be accomplished by the Act that was not intended for this purpose but happens to be so. Therefore, the Act may be looked from the angle of achievement and not only its ability to get information expeditiously. One difference is that whereas the recommendations of committees and commissions are recommendatory, there is force of law behind section 4. It is a powerful clause that makes it incumbent and compulsory upon all departments to know what they are, where they stand, and how to deal with the chinks that exist. It would usher in a culture of vigilance both within the organization and the public that is likely to seek accountability. The act thus invokes the latent potential of the administrative structure. It is an effort to enable the department to pursue the objectives by delineating a road map and prescribing a checklist. It has the potential to bring about good governance in accordance with law.

The reform might, hopefully, be initiated from within, failing which the enlightened citizens from the outside might build up an indirect pressure by seeking information on all that is contained in sec 4, insist upon the organizations to go by its mandate, and even help in constructing the text, if the official language and response are inadequate.

Therefore, the Right to Information Act can also be taken to be the Right to Good Governance. One has only to realize its potentialities and not take it as antagonistic to the government's interests. An implementation of the provisions of the Act shall bring about the required change in the functioning of public dealing departments. The Act is also to be considered as a tool of management. Section 4 is a recipe for self-improvement. It is an occasion for introspection. This would usher in an era of transparency, integrity, accountability and effectiveness. Right to information is thus converted into a right to good governance and duty to do so.

S. C. Kashyap

Concept of Good Governance in Kautilya's Arthasastra

For some decades now, the issue of good governance has been in the forefront of political science discourse,. The study of institutions that had been relegated to the footnotes is back in the reckoning and the challenges of good governance have come to occupy important space and generate renewed interest. Both in the developed and developing parts of the world, there has been a welcome shift of focus from traditional concepts of mere government and politics to the paradigms of good governance, wide range of its attributes and imperatives.

Several studies have been undertaken by various organizations. The world development reports, 1997 onwards, underlined the effectiveness of the State as an essential prerequisite for sustainable economic growth. The Bretton Woods institutions realized even though very late in the day, that economic liberalization reform could not succeed without first ensuring quality and clean government.

Ancient Indian polity recognized the rights of the people to good governance. Manu goes so far as to lay down that if the ruler ignored his responsibilities and become unjust or oppressive, the people had a right to rebellion, even regicide was accepted and the people were free to kill such a ruler 'as a mad dog". The *Jataka* tales, *Shantiparva Anushashanparva* of *Mahabharta*, Shukracharya's *Nitisar*, Panini's *Ashtadhyayi*, *Aatreya Brahmana*, Valmiki's *Ramayana*, and not the least Kautilya's *Arthashastra* are replete with descriptions of tenets of good governance.

Western writers like Basham and Keith would like us to believe that India had had no school of political philosophy or anything like "a serious theory of politics". They forget that some 300 years before Christ, according to those well-versed in statecraft or science of government "***Rajvidya Vidam***" Kautilya "churned the nectar of policy science from the ocean of *Arthasastra*".

निति शास्त्रामृतं धीमानर्थ शास्त्रमधौ दधे

Kautilya deals extensively with the subjects of political economy and statecraft. *Arthasastra* in its very nature is a treatise on the policy of State administration rather than on the theories of origin and functions of the State. To the extent that it concerns itself with matters of good administration and how it should be run in the best interests of the people, Arthasastra is, for that very reason, among other things, concerned with the practice of governance.

It may be said that Kautilya's *Arthasastra* is the first comprehensive treatise on politics in ancient India. but, *Arthasastra* itself begins with an acknowledgement that it is a compendium of several earlier *Arthasastras* and schools of thought in statecraft.

Artha is defined as material well being of the people living on earth. *Arthasastra,* therefore; may be defined as the *sastra* which shows how acquisition and protection of earth and of its inhabitants is to be carried out. Normally this is the' responsibility of the State. Therefore, *Arthasastra* becomes a book dealing with matters of the State, a book of *rajdharma* or *rajvidya.*

Following the analysis by Ghoshal, Kautilya's views on government can be grouped under three heads, *viz.,* the ruler (king), the officials and the mechanism of administnition.

The first and foremost duty of the ruler is to ensure the protection of the people. 'Raksana' or 'palana' meant primarily the protection of the person and property of the people. The ruler must maintain order. Discipline lay at the root of all success. Disorder and crises against the law must be repressed without undue severity or leniency. Justice is the bedrock of society. Kautilya's whole conception of the duties of the rulers is positive and explicitly suggests improvement of every aspect of social life. The principle is the observance of the qualities of exertion, dutifulness, and impartiality culminating in a doctrine of the ruler's complete identification with the interests of those of the people.

Chapter V of Book I of *Arthasastra* concludes with the statement that a good ruler must be well-educated and disciplined in sciences, devoted to good governance of the people and bent on doing good to all people. These principles propounded by Kautilya stand the tests even today and are prerequisites for good governance.

Kautilya says, if the ruler is strong and full of energy, the people will be equally so. It is necessary that the ruler is always wide awake and alert. With the help of the Prime Minister, he is expected to keep an examining watch over the character and conduct of his ministers incharge of different departments of Government (Chapters X and XIX, Book I). Kautilya is emphatic that before decisions of the State are made or any important administrative measures taken, these should be discussed in well-constituted Council of Ministers. He quotes Manu, Brihaspati and school of Usanas who believed that the Council of Ministers should consist of 12, 16 or 20 ministers but says that according to him (Kautilya) the Council may consist of as many Ministers as may be deemed necessary or affordable *(Yathasamarthyam).* (Chapter XV, Book I). This view of Kautilya should suit our present day rulers. They do not want any limit on the number of Ministers. In some States, majority of the MLAs may be Ministers or holders of equivalent posts. It may be so, not because that many Ministers are actually necessary of affordable but because that is necessary to keep the flock together and sustain the Government.

Kautilya a the daily routine for the ruler as a part of his duties. He has to devote one-eighth of his time each day to attending to the problems and concerns of the common people. Kautilya says that a ruler (king) must "never cause his petitioners to wait at the door, for when a king makes himself inaccessible to his people and entrusts his work to his immediate officers, he may be sure to endanger confusion in business, and thereby cause public disaffection, and himself become a prey to enemies." A good ruler is expected to himself attend to the problems *inter alia* of the women, the minors" the aged, the afflicted and the helpless persons. All urgent calls, he must hear at once and never put off "for when postponed, they may prove too hard or impossible to accomplish". The ruler is bound by his vow to be always in readiness for action in the discharge of his duties. In the most categorical pronouncement of the principles of good governance, Kautilya says in the XIX Chapter of Book I:

प्रजा सुखे सुखं राज्ञः प्रजानां च हिते हितम् ।
नात्मप्रियं हितं राज्ञः प्रजानां तु प्रियं हितम् ।।

"In the happiness of his people lies his happiness; in their welfare his welfare; whatever pleases himself he shall not consider as good, but whatever pleases his people he shall consider as good."

Thus Kautilya is for a welfare state where the welfare and prosperity of the people - *(Yoyakshema)* - *Prajasukham* and *Prajahitam* - are the supreme concerns of the ruler. The ruler can have no likes or interests of his own.

Coming to the heads of departments and officers of the Government, Kautilya's *Arthasastra* lays down strict norms of conduct and control. If an officer fails in the discharge of his responsibilities any day, he would be fined twice the amount of his pay. It shall be the duty of the chief officer of each department to keep a watch over the performance of each person under his charge. Each department is to be officered by "temporary" heads because "just as it is impossible not to taste the honey or the poison placed at the tip of the tongue, so it is impossible for a government servant not to eat up, at least, a bit of the' state revenue. Kautilya speaks of 40 ways in which corrupt officers can cheat the government and the people. The *Arthasastra* goes on to say:

"Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servants employed in the government work cannot be found out taking money. It is possible to mark the movements of birds flying high up in the sky but not to ascertain the clandestine movement of government servants."

With a view to maintain probity in public service and to obviate chances of corruption among officers, Kautilya prescribes confiscation of their ill-gotten wealth, and transfer to another job "so that they cannot either misappropriate government money or vomit what they have eaten up." It is interesting to recall that the National Commission to Review the Working of the Constitution which submitted its report on 31 March 2002 recommended confiscation of ill-gotten or unaccounted wealth and property of public servants. [Chapter IX, Book II]

Kautilya adopted the well-settled seven elements of State: *Svamin,* the ruler; *Amalya,* the minister; *Janapada,* the territory with people settled on it; *Durga,* the fortitied capital; *Kosa,* the treasury; *Danda,* the army; and *Mitra,* the ally. The principle propounded behind these elements is that when they behave limblike, they become an asset to the ruler. The ruler with the qualities of self-mastery can improve over the defective constituents but one wanting in this quality destroys even those that are wholesome and well-disposed. It thus becomes imperative for the ruler to protect and strengthen the institutions of the State that form its constituent parts. It also suggests the mutual interdependence of these elements of the State and the need for decentralisation of governance and devolution of power to the grassroots level of *Janapadas.*

Kautilya apart from giving guidelines on good governance also recognised the need of education of the ruler and administrators for developing their skills in statecraft. His education was not limited to teaching politics. He focused on the overall development of the personality of each person and enabling him to make reasonable judgements. The ruler, he mentions, who stands at the head must receive a thorough education and develop a character of austere virtue and self-restraint, and an all controlling sense of duty. It also enjoins upon the ruler a strict moral discipline as well as control of the senses acquired by the study of sciences and the observance of their precepts. It was the first time that an integrated scheme' of education for the ruling class was formulated.

Danda which literally means the policy of stick in

Kautilya's theory holds a very important position. But Kautilya is not for indiscriminate use of *danda.* He lays down principles and conditions under which and how *danda* should be applied. He mentions that while the lawful application of *danda* ensures the complete happiness of the individual, its unlawful or vicious application causes universal disaffection and its non-application produces anarchy symbolised by the law of jungle. Judicious and reasonable application of the coercive power of the State secures the protection of the people and at the same time ensures the stability and prosperity of the State. Kautilya says unjust or indiscriminate use of *danda* may lead to revolt of the people against the ruler and the people may overthrow him.

The prime element in Kautilya's policy was the protection of the State and the people. His definition of security extends to the realm of the welfare of the people. The *Arthasastra* talks about the ruler's duty to protect the people from calamities by providing relief and from antisocial elements by punishing them.

Kautilya talks about planned settlement of the rural and urban areas with the objective of providing military, economic and administrative needs of the State. Here Kautilya is prudently advocating development strategies of harnessing and exploiting natural resources for the overall economic development and security of the State as well as to facilitate administrative and commercial objectives.

Though the *Arthasastra* lays down stringent policies of statecraft, it invariably follows the cardinal principle of protection and preservation of the State and its people. Nowhere does it allow the State to function in such a manner as to create disaffection in the people. In the happiness of the people lies the legitimacy and the happiness of the ruler and to this end he is duty bound to perform all the duties of his *Rajdharma* required to keep the people happy. It propounds the fundamental good governance principle of accountability and of justice being the basis of lawful rule.

If a closer study of Kautilya's *Arthasastra* is made from this angle, it is believed, many a foundational norms behind the modem concept of good governance can be distilled from its *slokas* and passages. There is much to take, in principle, from Kautilya's *Arthasastra* as a guidance point or reference for good governance. *Arthasastra* covers many aspects and propounds principles of such universal applicability' the reference of which will undoubtedly enhance our present-day intellectual efforts towards policy making for fulfilling the national agenda for good governance.

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New Public Management

*"Transforming Governance through New Public Management" - Pradip N. Khandwalla Published by Ahemdabad Management Association - 396 Pages**

The question of governance is quite complex and it is further complicated because of democracy and the several layers and tiers through which it has its interface with public.

The New Public Management suggested in the book calls for a shift in the present form and structure to a greater performance orientation, de centralization, de bureaucratiz-ation, outsourcing, agencification, public private partnership and emphasizing outputs rather than inputs and making it more efficient and citizen friendly. NPM which started mainly as an effort to bring into governance private sector efficiency and accountability for performance has since grown into a participatory, stake holder and citizen-centric form which has delivered goods across the globe.

In the preface itself the author brings out in a developing country, democracy cannot survive for long , if it repeatedly fails to meet the expectations of the populace for law and order, security, social justice, a rising standard of living, and better civic amenities. When there is poor governance, people tend to blame, politicians and administrators. But the root cavses of poor governance may lie in the design of the democratic-administrative form adopted by a country rather than in the character of the people governing the nation".

The book draws on global governance innovations to enhance governing capacity giving examples from what has been achieved in other countries and the lessons that can be drawn from the case studies of these countries. The changes

While no price is mentioned in the book, it can be purchased for Rs. 250/- from Ahmedabad Management Association, AMA Management Centre, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 300 015 (India) have made public administration more professional, participative, stake holder oriented and committed to public welfare and socio economic development. There was no reason why India should continue to ignore them.

The former Director of IIM Ahemdabad covers the full range of the reforms suggested over time through different Commissions, Committees and other Reports and the success achieved some States like Andhra Pradesh, Gujarat, Karnataka, Kerala where some fascinating inovations that had worked in Indian conditions.

Dr. Khandwalla also offers a number of options and suggestions for the functioning of the Democratic System of the country at the Centre, State and local levels and in Chapters 15 & 16 details a conceptual framework particularly useful for Indian policy makers, with policy options and a roadmap for improving the capacity for governance.

Commenting on the developmental expenditure where the centre transfers fund to the states, the author finds that "this financial arrangement creates some peculiar problems of effective administration in centrally funded development projects because as a major source of funding for development, the centre wants to be assured that funds are spent by the states in the way originally intended, while the bureaucratic administration of development in the states plagued by chronic instability of tenure of senior bureaucrats of the state and district level and compounded by the interference of local politicians, makes this highly problematic. For these projects, there is no unified control and command system managed by professionals with mandate and tenure, and the result is both poor accountability and poor performances, especially in terms of intended impact. The book's emphasis on agencification specially for important and large government projects and schemes is worth considering.

In Chapter 15, the author discusses the question of how NPM can be institutionalized in Indian governance and the need for institutionalizing NPM in the Central Government, in the relatively progressive States and in the 'bimaru' States. He also discusses how the political establishment and the bureaucratic establishment can be co-opted to support the institutionzation of NPM.

On, who will bring about the needed changes, when the system has got so thoroughly corrupted, and so many vested interests prefer the system to be what it is now? The author, says, "was not the economic system also thoroughly corrupted by the permit-license raj, with vested interests wanting the system to continue? But change happened,_ _ _ _ _ I would like to think that politicians will increasingly realize that good governance pays in terms of retaining power, and therefore it is in their interest to promote good governance. I also think that the elite services will find new modes of management that blend professionalism and stake holders' participation in decision making helpful to them in carrying out their function much more effectively". The book has focussed mainly on the management aspects of governance which the author feels is the main area of weakness in the Indian context.

Dr. Khandwalla has published many books, Design of Organizations, Excellence through Creativity, Organizational Design For Excellence, Lifelong Creativity and several others but this is the first time he has written a book on "Governance and a very comprehensive work indeed.

The book covers a fascinating journey, on what has been done and what can be done in the art of governance. It will be worth the while of bureaucrats, politicians, intelligent observers of governance and active members of civil society to read the book.

Mahesh Kapoor

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