



# Public Administration

## Theory and Practice

Hoshiar Singh | Pardeep Sachdeva

ALWAYS LEARNING

PEARSON

# Public Administration

Theory and Practice

*This page is intentionally left blank.*

# Public Administration

Theory and Practice

**Hoshiar Singh**

**Pardeep Sachdeva**

**PEARSON**

Delhi • Chennai • Chandigarh

**Copyright © Hoshiar Singh, Pradeep Sachdeva, 2012**

Licenseses of Pearson Education in South Asia

No part of this eBook may be used or reproduced in any manner whatsoever without the publisher's prior written consent.

This eBook may or may not include all assets that were part of the print version. The publisher reserves the right to remove any material present in this eBook at any time.

ISBN 9788131761182

eISBN 9788131775936

Head Office: A-8(A), Sector 62, Knowledge Boulevard, 7th Floor, NOIDA 201 309, India

Registered Office: 11 Local Shopping Centre, Panchsheel Park, New Delhi 110 017, India

# Contents

1	Meaning, Scope and Importance of Public Administration	1
2	Theories of Organisation	22
3	Principles of Organisation	41
4	Administrative Behaviour	61
5	Structure of Organisation	81
6	Personnel Administration	112
7	Financial Administration	192
8	Accountability and Control	228
9	Administrative Reforms	250
10	Administrative Law	268
11	Administrative Culture	291
12	New Public Management	302
13	Good Governance	310
14	Comparative and Development Administration: Meaning, Nature, Scope and Importance	324
15	Public Policy	335

*This page is intentionally left blank.*

# 1

## Meaning, Scope and Importance of Public Administration

---

Public administration consists of the activities undertaken by a government to look after its people, or to manage its affairs. Before discussing the various interpretations of the concept of public administration, it is pertinent to understand the meaning of the terms 'public' and 'administration' separately.

The word 'public' stands for the people of a definite territory or state. As the will of the people of a state is represented by the government of the state, the word 'public' also has a specialised, governmental meaning. Therefore, the acts of administration performed by the government are called 'public administration'. Those acts which are undertaken by individuals in their own capacity are termed 'private administration'.

The English word 'administer' is derived from the Latin words *ad* and *ministrare*, which means 'to serve'. Thus, in simple words 'administration' means the 'management of affairs', or looking after the people. It is a process of management which is practised by all kinds of organisations from the household to the most complex system of the government. Whenever two or more people cooperate to accomplish common goals, an administrative activity is assumed to have been involved. In the words of H. Simon, 'Administration can be defined as the activities of groups cooperating to accomplish common goals.'<sup>1</sup> According to J. M. Pfiffner 'Administration is the organisation and direction of human and material resources to achieve desired ends.'<sup>2</sup> J. S. Hodgson describes administration as 'a kind of activity found in both public and business affairs'. It means getting things done, a process which is concerned much more with relations between persons than with manipulation of objects. Therefore, administration means appropriate organisation of men and material in pursuit of desired ends.

### THE CONCEPT OF PUBLIC ADMINISTRATION

The concept of public administration has been given various interpretations by different thinkers. As the term itself signifies, 'public administration' simply means the activities undertaken by the government to



fulfil its desired ends. The difference, however, is only regarding the 'activities' which are to be considered as administrative activities. Some thinkers take a broad view and consider all governmental activities aimed at fulfilment of public policy as administrative activities, while others take a narrow view and include only those activities that are concerned with the executive branch of the government.

The definitions given by prominent writers can be broadly classified into three different categories on the basis of the importance they attach to different aspects of administrative functioning. There are some who emphasise the function of implementation of public policy; for example, L. D. White observes, 'Public administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy'.<sup>3</sup> Similarly, according to J. S. Hodgson, 'Public administration comprises all activities of persons or groups in governments or their agencies, whether these organisations are international, regional or local in their scope, to fulfil the purpose of these governments or agencies'. Thinkers like J. M. Pfiffner lay more emphasis on the coordinating role of the administration. In his opinion 'Administration consists of getting the work of government done by coordinating the efforts of the people so that they can work together to accomplish their set tasks'.<sup>4</sup> Then there are others who emphasise upon the administrative function of implementing the law of the country. In the words of H. Walker, 'The work which the government does to give effect to a law is called administration'.<sup>5</sup>

However, the definition given by F. A. Nigro is more comprehensive and includes, besides the aforementioned functions, the relationship between public administration and political process as well as its association with the community as a whole. Nigro summarises the meaning of public administration in these words:

Public Administration is cooperative group effort in a public setting; covers all three branches—executive, legislative and judicial—and their inter-relationships; has an important role in the formulation of public policy and is thus a part of the political process; is more important than, and also different in significant ways from private administration; as a field of study and practice has been much influenced in recent years by the human relations approach; is closely associated with numerous private groups and individuals in providing services to the community.

The aforementioned definitions take a broader view of public administration. There are thinkers who take a narrower view, and as students of public administration we are more concerned with this ideology. In this category comes D. Waldo who defines public administration as 'the art and science of management as applied to the affairs of state'.<sup>6</sup> According to M. E. Dimock, 'Public administration is the fulfilment or enforcement of public policy as declared by the competent authorities. It deals with the problems and powers, the organisation and techniques of management involved in carrying out the laws and policies formulated by the policy-making agencies of government'. He further adds, 'Public administration is law in action. It is the executive side of government'.<sup>7</sup>

All these definitions make it clear that public administration is really government in action. In common usage, public administration is concerned with the executive—the operative and the most obvious part of government. In other words, it is mainly concerned with the executing and implementing parts of governmental activity, and with administering of the law of the land with equity, speed and smoothness. An ignorant Indian villager may not know anything of the Constitution of the country but a *daroga* or a *patwari* is a living reality to him or her. Therefore, public administration comprises the systematic execution of the will of the people, which has been discovered, formulated and expressed in the form of laws by the legislature. For instance, the assessment and rating of taxes, provision of criminal justice, postal

services, recruitment of armed forces personnel etc., are all acts of public administration. To summarise, it may be said that public administration is the non-political machinery of the government carrying on its work for the welfare of the people according to the laws formulated by the state. It is the permanent executive as distinguished from the political one. We must, at this stage, also be clear that public administration is concerned with *people* and not *things*. However, there is a school of thought which holds that in the future the tendency will be to shift from the administration of persons to the administration of things. But this appears to be only a narrow view. Things may be arranged, but ultimately it is the participation of the human element that matters. Things, no doubt, are of great importance to the administrator who arranges them but they cannot be administered. Administration has to do with human beings for whom it is meant. It is essentially a matter of social relationships. It must not also be forgotten that the administrator is neither a philosopher nor a politician but the non-political side of the executive.

## THE SCOPE OF PUBLIC ADMINISTRATION

There are different opinions about the scope of public administration, i.e., whether it is to be understood as the *managerial* part of the governmental work (the entire complex of activities of only the executive branch of government) or of all the branches of the government, i.e., legislative, executive and judicial. There are thus two divergent views regarding the scope of the study of public administration: *integral* view and *managerial* view.

According to the *integral* view, public administration is a sum-total of all the activities undertaken in pursuit of and in fulfilment of public policy. These would include not only managerial and technical, but also manual and clerical activities. Thus, the activities of all persons working in an organisation from top to bottom constitute administration. In other words, public administration is conceived in a comprehensive sense to include all activities of the government whether they are performed in the executive, legislative or judicial branches of the government. L. D. White adopts this view of public administration. According to him, public administration 'consists of all those operations having for their purpose the fulfilment or enforcement of public policy'.

According to the *managerial* view, the work of only those persons who are engaged in the performance of managerial functions in an organisation constitutes administration. It is these persons who shoulder the responsibility of keeping the enterprise on even keels and to run it most efficiently. Their job is to plan, programme and organise all the activities in an organisation so as to achieve the desired ends.

L. Gulick subscribes to the *managerial* view. He defines the managerial techniques by the word POSDCORB, each letter of which stands for a different management technique i.e., Planning, Organising, Staffing, Directing, Coordinating, Reporting and Budgeting.

*Planning* means working out in broad outline the things that need to be done, and the method to be adopted to accomplish the purpose set for the enterprise. *Organising* means building up the structure of authority through which the entire work to be done is properly arranged and defined in order to achieve the desired goals. *Staffing* means appointing suitable persons to the various posts under the organisation. It comprises the whole of personnel management. *Directing* involves making decisions, issuing orders and instructions, and embodying them for the guidance of the staff. *Coordinating* means interrelating the various parts of organisational work and, thus, eliminating overlaps and conflict in different activities of an organisation. *Reporting* means keeping both the supervisors and subordinates informed of what is going on and arranging for the collection of such information through inspection, research and records. *Budgeting* means fiscal planning, accounting and control, i.e., all activities relating to financial management.

According to Pfiffner, the scope of public administration can be divided under two broad heads: *principles* of public administration and *sphere* of public administration. In the first category, public administration studies: (a) organisation, which means 'the structuring of individuals and functions into productive relationship'; (b) management of personnel, which is 'concerned with the direction of these individuals and functions to achieve ends previously determined'. It represents the dynamic aspects of administration and may be called its 'physiology'; (c) method and procedure, which are the techniques of administering, the process of working, i.e., the 'how' of administration; (d) material and supply, which are the tools with whose help administrative work is carried out, for example, stationery and furniture; (e) public finance, without which personnel cannot be employed and work cannot be performed; (f) administrative accountability both in terms of internal control as well as external responsibility to law courts, legislature and the people.

Viewed from the jurisdictional point of view, the *sphere* of public administration includes the central government, state governments, its regional and local authorities and also the public corporations.

Thus public administration, in sum, includes the totality of government activity, encompassing exercise of endless variety and the techniques of organisation and management whereby order and social purpose are given to the effort of vast numbers'.

A more comprehensive account of the scope of public administration has been given by Walker. He has divided it into two parts: administrative theory and applied administration.

Administrative theory includes the study of structure, organisation, functions and methods of all types of public authority engaged in carrying out the administration at all levels, i.e., national, regional, local, etc. Further, it is a study of all problems connected with external control of parliament and the cabinet over administration; internal control of administrative machinery; judicial control over administration; administrative tribunals; planning, programming and execution of public actions; recruitment of personnel and problems connected therewith; research; information; public relations, etc. The emphasis is to find out certain principles of administrative actions which can be usefully applied in practical administration.

Applied administration: It is difficult to give a comprehensive statement as to what 'applied administration' should exactly include because of the new and fast-growing field of public administration. Walker has made an attempt to classify the main forms of applied administration on the basis of ten principal functions which he calls as political, legislative, financial, defensive, educational, social, economic, foreign imperial and local. He elaborates these functions as following:

**(a) Political:** It includes a study of executive –legislature relationship, politico-administrative activities of the cabinet, minister–official relationships, etc.

**(b) Legislative:** It includes delegated legislation, preparatory work done by the officials in drafting of bill for enactments, etc.

**(c) Financial:** It includes the whole of financial administration from preparation to the enactment of budget, etc.

**(d) Defensive:** It includes a study of military administration.

**(e) Educational:** It covers all aspects of educational administration.

**(f) Social:** All administration in the social field such as housing, food, social security and employment, etc.

**(g) Economic:** It covers all administrative activities in the economic field, i.e., industries, agriculture, foreign trade, commerce, public enterprises, etc.

**(h) Foreign:** It covers foreign administration which includes international cooperation, international agencies for international peace prosperity, diplomacy, etc.

**(i) Imperial:** It includes problems and techniques of imperial domination over other nations, etc.

**(j) Local:** It covers administration of local bodies.

Although there are a lot of overlaps in Walker's classification, it is a good attempt at an exhaustive definition of applied administration. In short, we can say that applied administration includes the study of administration in the various countries of the world; of various departments of services in the progressive states; of organisation at various levels, i.e., governmental, local, national and international; of the historical development of administrative methods and techniques; and of the problems connected with international organisations.

## SCOPE IN RELATION TO PEOPLE'S EXPECTATIONS FROM THE GOVERNMENT

It may be observed here that public administration is only a means to the attainment of the objects of the state itself—'the maintenance of peace and order, the progressive achievement of justice, the instruction of the young, protection against disease and insecurity, the adjustment and compromise of conflicting groups and interests—in short, the attainment of a good life'. The scope of public administration varies with people's expectations of what they should get from the government. A century ago they expected chiefly to be left alone. Now they expect a wide range of services and protection. Throughout the world the demands made by people upon governments have continually increased and in time to come they would further increase. The expansion of government functions inevitably means more administrative agencies, more officials and employees. The administrative system consequently grows and becomes diverse. Thus, it is obvious that though public administration studies the administrative branch of the executive organ only, yet its scope is very wide as it varies with the people's conception of a good life.

## SIGNIFICANCE OF PUBLIC ADMINISTRATION

There has been tremendous increase in the importance of public administration with the expansion of state activities. The state is no longer considered as the preserver of status quo, instead the concept of the 'service state' has been almost universally accepted. The centuries old notion of 'police state', which was to be responsible only for the maintenance of law and order and the policy of *laissez faire*, i.e., least interference in day-to-day activities, has completely lost its relevance. The modern state has undertaken the new role of accelerator of economic and social change as well as prime mover and stimulator of national development. With this change in the ends of modern state, the purposes of public administration have also been completely reoriented. Its functions have enormously increased in number, variety and complexity and its methodology has grown from the trial and error stage into an orderly discipline with an organised, ever-increasing body of knowledge and experience.

Today we see a great bulk of administrative departments coming into being. Since all members of society remain under public administration from 'cradle to grave', their birth as well as death is to be registered with the local authorities. There are a number of welfare agencies which provide all necessary

benefits to the child. Besides, all of us use the services of public administration in almost every walk of life. Most of us are customers of the post-office and we wonder at the vast organisation which is needed to provide this service. There are employment exchanges, rationing offices, government mints, departments of agriculture, industries, foreign relations, etc., which affect almost every citizen in one way or the other. This abundantly proves that public administration is a vital social process charged with providing great needs. It is a permanent force and an integral part of the social, cultural and economic life of a nation. It is possible for a state to exist without a legislature or an independent judiciary but no state can exist without a well-organised administration. Edmond Burke said long ago, 'Constitute government how you please, infinitely the greater part of it will depend on exercise of powers which are left at large to the ministers of state. Without proper management, your commonwealth is no better than a scheme on paper and not a living, active, effective Constitution'. The powerful and important role played by public administration in the life of a nation led Ransay Muir to remark that in England the minister is a tool in the hands of the permanent executive. In the words of D. Waldo it is 'a part of the cultural complex; and it not only is acted upon, it acts'. It is a great creative force. Lack of sound administration may bring even the mightiest empire to pieces as was the case with the ancient Roman Empire.

With the great advancement of science and invention of new techniques at all levels of human activity, the problem of maintaining effective coordination between the administration and the rest of the community has assumed great importance. The administrator is an essential servant of the new age, which is becoming so complex that neither the bluster of the power politician nor the abundant goodwill of the multitude will avoid breakdown, if, despite the adoption of right policies, wrong administrative steps are taken. Therefore the pursuit of greater knowledge of public administration becomes the most essential element in modern times. In the words of Professor Beard, 'The future of civilised government and even, I think, of civilisation itself, rests upon our ability to develop a science and a philosophy and a practice of administration competent to discharge the public functions of civilised society'.

## PUBLIC AND PRIVATE ADMINISTRATION

There is difference of opinion regarding the relationship between public and private administration. There are some thinkers who consider that there is no difference between the two and that the administrative activities and techniques are similar in all organisations, private or public. Urwick, Mary Parker Follet and Henri Fayol subscribe to this view. According to Fayol, 'We are no longer confronted with several administrative sciences but with one which can be applied equally well to public and private affairs'.

## Similarities Between Public and Private Administration

These thinkers suggest various points of similarities between the two. First, many skills, techniques and procedures adopted in private and public administration are the same, for example, accounting, office procedure and management, etc. This view holds true also because of the fact that there is occasional interchange of personnel between public and private administration. It would not have been possible, had there been difference in the working of the private and public administrative organisations.

Nigro points out four basic elements of similarity between the public and private administration:

(a) First is the *cooperative* element. According to him, administration is cooperative group effort in a public or private setting. In every human organisation, be it private or public, the key to successful

operations is the effective utilisation of human and physical resources. Though the purposes or goals of these organisations may vary, the element of cooperation is present in both.

(b) Second point of similarity is the large size of organisations which he calls the *bureaucratic* element. In all large organisations where the number of employees is substantially high, the bureaucratic element is present. As it becomes difficult for one person to look after all the employees, intermediate levels of supervisors are required. In other words, various levels of hierarchy evolve and the organisation grows in complexity. Thus, bureaucracy is another major element of similarity between the two.

(c) Third aspect of similarity between the public and private administration is the concepts and techniques of scientific management which are applicable to both industry and government. According to Nigro, 'Scientific analysis involves breaking down each task into its component parts, studying the movement of the workers, the use made of materials and equipment, experimenting with different work methods and procedures and finally adopting those which proved most efficient'. This scientific technique is increasingly used in both public as well as private administration.

(d) Lastly, the human relations approach is again the main focus of similarity between the two.

Though there are certain points of similarity between the public and private administration yet no private organisation can ever be exactly the same as a public one. The following are some points of difference between the two types of administration:

(a) **Political direction:** The primary distinction between public and private administration lies in the fact that unlike public administration, private administration is not subjected to political direction, save in times of emergency. The ends it pursues are of its own device. Its objectives generally do not depend upon political decisions. But the administrators under public administration have to carry on the orders which they get from the political executive with little option of their own.

(b) **Profit motive:** Public administration is conducted with the motive of service while the motive of private administration is profit-making. If the establishment of a textile mill brings more profit to the capitalist than the establishment of a sugar mill, the former will be preferred by the capitalist, however urgent the need of the latter may be for the people. If private administration is useful to the public, its services to the public are a by-product of profit-making. Usually, a private administration will not undertake an activity that is not profit-making. For example, a capitalist will not establish a factory if it brings in more loss and less profit. However, in the realm of public administration, several functions performed by the state are money consuming rather than money generating, for example, running of a government school or hospital.

(c) **Service and cost:** In the matter of public administration only such amount of money is raised by taxation which is necessary for the rendering of the service. In other words, there is an integral relationship between the service rendered and the cost of service charged from the public. A government budget is usually a deficit budget, i.e., expenditure exceeding the income. In private administration, income often exceeds expenditure because there is usually an attempt made to generate as much money as possible through the sale of products or services.

(d) **Nature of functions:** Public administration is more comprehensive than private administration. It deals with various types of needs of people, for example, in most countries, the public administration maintains railways to facilitate movement of goods and passengers, provides posts and telegraphs

to facilitate communication, and maintains hospitals and dispensaries to protect public health. In a socialistic state the scope of state activity is still greater since its aim is to achieve greatest happiness of the greatest number. Private administration does not usually cover that wide a scope of social activities. It is mostly concerned with the economic needs of life. Public administration carries out functions which are vital for the very existence of the people, for example, defence of the country and maintenance of law and order. Private administration is concerned with less vital functions, for example, manufacturing cloth, supply of sugar, etc. Besides, public administration retains monopoly over some of the services, for example, in India, it alone runs railways, manages posts and telegraphs, and maintains an army. No private individual can undertake any of these functions. In private administration more than one organisation undertakes the same activity, for example, supply of cloth, plying taxis for hire, etc.

**(e) Public responsibility:** Public administration has responsibility to the public. In the words of P. H. Appleby, 'Government administration differs from all other administrative work by virtue of its public nature, the way in which it is subject to public scrutiny and outcry.' On the other hand, private administration is only responsible to the people indirectly and that too usually to secure its own ends and not for welfare of people.

**(f) Uniform treatment:** Again, public administration should be consistent in procedure and uniform in dealings with the public. An official cannot show favour to some people and disfavour to others. A private administration on the other hand need not worry about uniformity in treatment. A shopkeeper selling cloth may give cloth on credit, but a clerk in a post office will not sell stamps on credit.

**(g) Public relation:** The public and private administrations also differ on the principle of public relations. In the business world it is employed to win customers, by window displaying, free samples, design and colour of labels.

**(h) Efficiency:** It is felt that private administration is superior in efficiency to public administration. The glamour for 'a businessman's government' or 'commercialisation of the whole machinery of government' or privatisation of octroi, electricity production and distribution, etc., shows that the people consider private administration as more efficient. Private administration indeed enjoys certain advantages, such as differential wage payment as an incentive to increase production and to attract staff of superior ability from rival firms, etc., over public administration which is marked by red tape, extravagance, corruption and inefficiency. In private administration, the incentive of more profits impels individuals to devote themselves whole-heartedly in their business. But it does not mean that private administration is always efficient, or public administration is always inefficient. While the incentive of cash profit is missing in public administration, the incentive and desire to make one's own administration successful and win public approval thereby is always present, which impels administrators to devote themselves to achieve efficiency in their offices.

**(i) Organisation:** Though the principle of organisation is relevant to both public and private administrations, it has greater social consequences in the former sphere. A defect in organisation in public administration will do more harm to the public than a lacuna in private administration. Huxley writes, 'The state lives in a glass house, we see what it tries to do, and all its failures, partial or total, are made the most of. But private enterprise is sheltered under opaque bricks and mortar'.

**(j) Monopoly:** In the field of public administration, there is generally a monopoly of government and it does not allow private parties to compete with it. For example, in most countries no person or body of



persons can establish post and telegraph, railway, or coin currency, because these are exclusive fields of government. This is not so in private administration wherein there are several organisations competing with each other to supply the same commodity or to meet the same need. Of course, in certain cases, even private concerns may have a monopoly, for example, in the manufacturing of patented medicines etc.

**(k) Officials remain incognito:** In public administration even the most senior officials remain incognito and their identity is not disclosed. This is so because whatever they do, they do in the name of the government and not in their own name. On the contrary, private administration allows entrepreneurs to do things on their own behalf and therefore they may be well-known in their business circles. In many cases, business concerns are named after their proprietors.

**(l) Psychological difference:** There is also a psychological difference between private and public administration. In the USA during World War II, the coal mines were placed under governmental control and although no appreciable changes in the administration of coal mines were made, there came about a change in the psychology of the workers for now they knew the dangerous consequences of strikes, etc.

According to Simon, the distinction between public and private administration relates mainly to three points: (a) public administration is bureaucratic whereas private administration is business-like; (b) public administration is political whereas private administration is non-political; and (c) public administration is characterised by red-tape whereas private administration is free from it.

Sir J. Stamp points out four main distinctions between private and public administration. First, public administration has to be conducted according to certain rigid rules and regulations and its decisions must be consistent. Second, public administration is subject to the principle of financial control of the legislature. Third, public administration is to observe the principle of public responsibility and, last, public administration is free from profit motive.

However the difference between public and private administration is more apparent than real. In the words of Waldo, 'The generalisations which distinguish the two, equality of treatment, legal authorization of, and responsibility for action, public justification or justifiability of decisions, financial probity and meticulousness, and so forth are of very limited applicability.' In fact, public and private administration are the 'two species of the same genus. But they have special values and techniques of their own which give to each its distinctive character'.

## THE ECOLOGY OF PUBLIC ADMINISTRATION

The term 'ecology' in 'ecology of public administration' is an adopted term. Its main application has been in the field of biology, where it suggests the interdependence between organisms and their environment. Now the term is commonly employed in social sciences also.

In 1947, John M. Gaus in a seminar paper emphasised the need to employ the concept of ecology in the study of public administration—namely the necessary interdependence of public bureaucracy and its environment.<sup>8</sup> However, it was Fred W. Riggs who drew attention, in an organised way, to the continuing interaction between public administration and the environment within which it functions. Riggs in his book, *The Ecology of Public Administration* (1961) has explored from a comparative perspective the interaction between public administration and the environment in which it develops.<sup>9</sup>



In the field of comparative administration, Riggs' ecological approach, one of the important analytical tools that he used to explain his administrative theories, has been widely accepted. He applied the term ecology—among other terms which he borrowed from sociology, physics and biology—to propose new theories and models in public administration. These terms are referred as peculiarly Riggsion.

Riggs while delivering his lectures on the ecology of public administration raised two questions relating to the ecology of public administration. These are: (a) how do differences in social, cultural, historical or architectural environment affect the way in which administration is conducted and (b) how, in turn, does administrative action affect the society in which it plays its part?

Riggs also made it clear that John M. Gaus had stressed the importance of ecology in explaining administrative behaviour but unfortunately few students of the subject followed his advice, and we still lack an adequate theory of the interrelations between administration and environment.

Riggs developed his analysis in the study of public administration in the USA, ancient Siam and modern Philippines and Thailand, representing broadly his ideal type models of 'refracted', 'fused' and 'prismatic' societies respectively. Being well aware of the fact that governmental setting is one of the fundamental determinants of administrative behaviour, he tried to turn to other features which also condition administration. He chose only economic, social, symbolic, communicative and political aspects or elements for specific treatment.

The basic premise of Riggs's ecological approach in comparative public administration is that public administration may be regarded as one of the several sub-systems in a system and public bureaucracy as one of the several basic institutions in a society. Public administration is continually interacting with the economic, political and socio-cultural sub-systems in a society. It affects and in turn is affected by other sub-systems.

The foregoing discussion makes it clear that administrative system of a country is a sub-system. The other sub-systems being the political, the economic, the social, the cultural etc. And public administration as a sub-system operates in a system (i.e., society) wherein it influences the other sub-systems and in turn is influenced by these. This is the ecology of public administration.

## Political Dimension

Riggs views that 'public administration in all contemporary governments is rooted in politics. Politics, moreover, can only be understood when we take into account the administrative capabilities—and limitations of government'.<sup>10</sup> Politics is a struggle among forces for the right to control the character of public policy. This struggle is pursued by the political parties. The objectives of political parties are formulated within the framework of ideologies of the parties. Hence objectives and ideologies of different political parties throw a light on the formulation of public policies. Ideologies and policies thus get intimately linked. Struggle for the capture of state organs of power and ultimately the policies comprise the whole process of politics.

The field of public administration is greatly influenced by and related with the political environment. Administrative organisations, processes and procedures are under the influence of politics i.e., the political system of the society. So much so the volume of administrative activity in a society is determined and directed by the political executive. In turn, the bureaucrats play a role in policy formulation.

According to Riggs, bureaucracy always plays a key role, but never an exclusive one, in public administration. Extra-bureaucratic institutions such as political parties, legislatures, chief executives, courts of

law, are also involved in implementing public policies just like they participate in politics. He further says,

‘Public administration normally emphasises the inter-dependence of politics and administration. It sees administration as a necessary function of government, one that can be well or poorly performed, one that determines the quality of political action, and one that always interacts with politics—both shaped by and shaping it.’

## Economic Dimension

Economic features of a society also condition public administration. According to Riggs, economic productivity is the most obvious characteristic which has influenced public administration. For example, in India, poverty, unemployment and shortages lead to the development of a certain kind of equilibrium between the citizens and the bureaucracy. The prevailing poverty makes people meek and pliant in their interactions with the public servants. Acute unemployment in society results in intense pressures on government jobs leading to overstaffing in government offices.<sup>11</sup>

Riggs says that the economic system of a country has its both direct and indirect influences on administration. The interdependence between the two is apparent. The economy could not survive without the administrative system, and the system is itself determined in many aspects by the requirements of the economy. Moreover, the administrative system could not survive were it not for the productivity of the economy supporting it.

In India for example, the civil servant is responsible for distribution of essential goods to the citizens. The essential goods are usually in short supply, and the public servant is subjected to a lot of pressures. Such jobs involve considerable discretionary authority, which, sometimes, paves way for corruption and political interference.

Availability of finances is one single potential factor to influence economy of the country. The policy of planning, resource mobilisation, resource utilisation is thus the function of public administrators.

## Socio-cultural Dimension

Socio-cultural environment of a society also interacts with administration.

Riggs has explained the social context of public administration in his comparative analysis of modern and tradition societies. He states, ‘in order to understand any society we must also learn something about its social structure. By this I mean such things as how groups form, whether we talk about families, religious sects, political parties, business corporations, or social classes.’ The social organisations are important objects which continuously influence public administration of a country.

The impact of socio-cultural environment on administration can be felt in many ways. In India, the caste system, and the regional, linguistic and religious groups have varying degrees of influence on administration.

Riggs in his ‘Ecology of Public Administration’ has emphasised the need to make a comparison between the administration of developed and developing societies. While describing developing societies as ‘prismatic’ societies he has outlined the features of ‘fused-prismatic’ diffracted societies.

He maintains that developed societies are comparable to the diffracted light coming through a prism. The white or fused light is comparable to a traditional society. In the middle is the ‘prismatic society’. He compares the developing or prismatic societies to what happens to the light within the prism. In different societies, the political, economic and social systems influence the administration in different ways and therefore the political, economic and social systems in different countries vary considerably.

It is amply clear that the economic, social and political systems of a society influence its administrative system and in turn are influenced by them. Their interdependence is apparent. In all developing societies efforts are being made for economic growth. The responsibility for bringing about economic development is, to a large extent, borne by its administrative system. The governments through their administrative system take various measures for helping to bring about desirable social change. The administrative system is used for political development also. Political theorists like Carl Friedrich have pointed out that the state comes into being first and then helps in the process of emergence of the nation.

The administrative system of a country interacts with its environment, reshaping it and being reshaped by it.

## EVOLUTION OF PUBLIC ADMINISTRATION AS A DISCIPLINE

Administration as an activity or as a process is as old as the human civilisation. We find the traces of the activity in all types of human organisations that had been in existence during ancient times. Dimock and Dimock have rightly remarked that 'administration as a process is as old as human organisation itself. As soon as primitive man began to act jointly with his fellows, he had to plan, organise, assign roles and coordinate which literally makes administration'.<sup>12</sup>

But public administration as an academic discipline is hardly a century old. It has changed through the twentieth century and has been through many ups and downs. Its study, as Peter Self points out, developed as an offshoot of political science or public law, and until recently administration as an academic subject was the very plain step-sister of these older disciplines'.<sup>13</sup> It is believed that the term 'public administration' crept into European languages during the seventeenth century to distinguish the monarch's administration from their management of the private household.

Public administration is regarded as one of the newest disciplines of the social Sciences. Like other disciplines it has passed through several phases of evolution. Its evolutionary history can be divided into the following phases of development.

### Period I: (1887–1926)—The Era of Politics–Administration Dichotomy

Public administration as a discipline is said to have originated in the United States. The USA continues to enrich it even today. The first stage of its evolution is considered to have begun with the appearance in 1887 of Woodrow Wilson's essay titled 'The Study of Administration'.<sup>14</sup> He is regarded as the father of the discipline. Through the essay—the most distinguished essay in the history of American public administration—Wilson sought to aid in the establishment of public administration as a recognised field of study. As it happened, nearly forty years passed before public administration (as we think of it today) as a field of study had developed to the point at which the first textbooks for college use were published. But when they did appear they were developed along lines that Wilson's essay clearly foreshadowed. Doctrine after doctrine which public administration accepted as valid was first clearly enunciated by Wilson in 1887.<sup>15</sup>

In his essay, Wilson has stressed the need for a separate study of administration as he regarded administration as distinct from politics. He argued that law-making or framing a constitution is the concern of politics, while administration is concerned with the implementation of a constitution. He said, 'It is getting harder to run a constitution than to frame one'.<sup>16</sup>

Wilson's name is associated with two notable features. One, he is regarded as the father of the discipline of public administration. Two, he gave the politics–administration dichotomy which dominated

the scene for quarter of a century. Another notable event of the period was the publication in 1900 of Frank J. Goodnow's *Politics and Administration*. Goodnow developed the Wilsonian theme further with courage and conviction. He sought to conceptually distinguish the two functions of the government. He maintains, 'Politics has to do with policies or expressions of the State Will', while 'Administration has to do with the execution of these policies'.<sup>17</sup> Apart from this distinction he also stressed upon the differentiation between the institutional location of the two functions. While the location of politics was identified as the legislature and the higher echelons of government where major policy-decisions were made, the location of administration was identified as the executive arm of government—the bureaucracy. Goodnow thus posited the politics–administration dichotomy.

In the early part of the twentieth century many universities in the USA began to take active interest in the reform movement in the government. Scholars, thereafter, got attracted to the field of public administration. In 1914, the American Political Science Association published a report which discussed the objectives of teaching political science. One of the objectives was to 'prepare specialists for government positions'. Thus, public administration was recognised as an important sub-area of political science. The subject i.e., public administration began to gain recognition in the American universities and its study started steadily spreading. In 1926, the first textbook on the subject appeared. This was Leonard D. White's Introduction to the *Study of Public Administration*. It reflected the dominant themes in public administration of the period. Its premises were that politics and administration were to be kept separate and efficiency and economy were the watchwords of public administration.

The remarkable feature of the first period of the evolutionary stages of the discipline was a passionate belief in the politics–administration dichotomy—and the practical invalidity of the dichotomy did not bother the thinkers.

## Period II: (1927–37)—Principles of Administration

The second period of evolution of the discipline is marked by the tendency to reinforce the idea of politics–administration dichotomy and to evolve a value-free science of management. The central theme of this period was that there are certain principles of administration and the task to discover them and promote their application was left to the scholars.

The period dawned with the appearance of W. F. Willoughby's work *Principles of Public Administration* in 1927. The title of the book axiomatically indicates the new thrust of the discipline. There appeared a number of other works during this period stressing this approach, the more notable among them being *Principles of Organisation* by Mooney and Reiley; *Creative Experience* by Mary Parker Follett; *Industrial and General Management* by Henri Fayol. This period reached its climax in 1937 when Luther H. Gulick and Lyndal Urwick's *Papers on the Science of Administration* appeared. The use of the word 'science' by Gulick and Urwick for administration was significant. Urwick said,

'It is the general thesis of this paper that there are principles which can be arrived at inductively from the study of human organisation which should govern arrangements for human association of any kind. These principles can be studied as a technical question, irrespective of the purpose of the enterprise, the personnel comprising it, or any constitutions, political or social theory underlying its creation.'<sup>18</sup>

Gulick and Urwick coined the acronym—POSDCORB—to promote seven principles of administration. The POSDCORB maxims of administration were said to be of universal applicability in old organisations.

Mooney regarded 'co-ordination' as the first principle of organisation.

The main thrust of public administration studies in the first two stages has been summarised by Sayre as follows:

- (a) The 'politics-administration' dichotomy was assumed both as a self-evident truth and as a desirable goal; administration was perceived as a self-contained world of its own; with its own separate values, rules and methods.
- (b) Organisation theory was started in scientific management terms, i.e., it was seen largely as a problem in organisation technology—the necessities of hierarchy; the uses of staff agencies; a limited span of control; sub-division of work by such scientific principles as purpose, process, place or clientele.
- (c) The executive budget was characterised as an instrument of rationality, co-ordination, planning and control.
- (d) Personnel management was stressed as an additional element of rationality (jobs were to be described 'scientifically'; employees were to be selected, paid and advanced by 'scientific' methods).
- (e) A 'neutral' or 'impartial' career service was required to ensure competence, expertise and rationality.
- (f) A body of administrative law was needed to prescribe standards of due process in administrative conduct.<sup>19</sup>

The years under the second stage i.e., from 1927 to 1937 were the golden years of 'principles' in the history of public administration. This was also a period when the discipline of public administration commanded a high degree of respectability and its products were in great demand both in government and business.

### Period III: (1938–47)—Principles Stood Challenged

The third stage can be termed as one of reaction and challenge against the so-called principles of administration, which were dubbed as 'naturalistic fallacies' and 'proverbs'. In a way, the advocates of the principles of administration began to be challenged and the period 1938–47 was, indeed, one of continuous and mounting challenge and questioning.

The appearance in 1938 of Chester I. Barnard's *The Functions of the Executive* was the beginning as the book did not in the least uphold the view point of the writers of the second period which included Willoughby, Gulick, Urwick, etc. Herbert A. Simon's article entitled, 'The Proverbs of Administration' in 1946 put a big question mark on the acceptability as well as applicability of the 'principles of administration' which he branded as 'mere proverbs' and nothing more than proverbs. His argument was further strengthened in his *Administrative Behaviour* published in 1947. This work of his got him the Nobel Prize in the year 1978.

Simon's book is a critique of the older school of thoughts in public administration. While rejecting anything as 'principles' he said, what are paraded as 'principles' are in truth no better than proverbs.<sup>20</sup> He declared:

How can principles help in determining proper actions when two principles provide contradictory arguments for action? The principle of span of control assumes that administrative efficiency is enhanced by limiting the number of subordinates who report directly to one administrator. The principle of limited levels of hierarchy assumes

that administrative efficiency is enhanced by keeping to the minimum number of organisation levels. The former calls for a narrowly-based pyramid and the latter for a broadly-based pyramid.

He also rejected the politics–administration dichotomy. He laid substantive focus on decision-making and termed decision-making as the heart of administration. Simon's approach provided an alternative definition of public administration, and widened the scope of the subject by relating it to psychology, sociology, economics and political science.

Another challenge was from Robert Dahl, whose essay entitled 'The Science of Public Administration: Three Problems'<sup>21</sup> questioned the claim that public administration is a science.

Dahl's essay identified the following three problems in the evolution of a science of public administration:

(a) The first problem arises from the frequent impossibility of excluding normative considerations from the problems of public administration. Scientific means to achieve efficiency must be founded on some classification of ends.

(b) The second problem arises from the inescapable fact that a science of public administration must be a study of certain aspects of human behaviour. Dahl criticised the 'machine concept of organisation' and argued that the study of administration must embrace the whole psychological man.

(c) The third problem relates to the conception of the principles of administration. There was a tendency, as he pointed out, to enunciate universal principles based on a few examples drawn from limited national and historical settings.

To quote Dahl, 'The study of Public Administration inevitably must become a much more broadly based discipline, resting not on a narrowly defined knowledge of techniques and processes, but rather extending to the varying historical, sociological, economic and other conditioning factors...'<sup>22</sup>

This stage was marked with such a criticism that the discipline of public administration found itself in a very shaky position and its morale was low. This period was followed by another critical period i.e., the period of crisis.

## Period IV: (1948–70)—Crisis of Identity

This period has been one of crisis for public administration. The brave new world promised by the thinkers of the 'principles' era stood shattered. The future of the discipline appeared uncertain as it was facing a grave crisis i.e., crisis of identity.

Many public administrators responded to the crisis of identity by returning to the fold of the mother science, namely, political science. But they discovered that they were not very much welcome to the home of their youth. Many political scientists began to argue that the true objective of teaching in the field was 'intellectualised understanding' of the executive, thus reserving the objective laid down in 1914, namely, preparing 'specialists for governmental position'. There was also a talk of continued dominance of political science over public administration. This period witnessed the spectacle of political science not only letting public administration separate itself from it but also not fostering and encouraging its growth and development within its own field.

Public administration, naturally, was in search of an alternative which was available in the form of administrative science. Here, too, public administration had to lose its distinctiveness, identify and to

merge with a larger field. The protagonists of this view held that administration is administration regardless of its setting, and it was on this belief that *The Journal of Administrative Science Quarterly* was founded in 1956. James G. March and Simon's Organisation, Cyert and March's 'A Behavioural theory' of the Firm, and March's Handbook were inspired by this perspective.

## Period V: 1971 onwards

The discipline has registered great progress and has entered the new phase—1971 onwards—with an enriched vision, the uncertainty and turmoil of the preceding period notwithstanding. It has attracted to its fold scholars from various disciplines, thus becoming truly interdisciplinary. It is focusing its attention more and more on the dynamics of administration. Public Administration has also identified itself with the policy science.

The foregoing discussion deliberately emphasises the history of public administration solely in the context of the United States. However, it is inescapable and cannot be termed as uncalled for because the country i.e., the country of its origin, strongly bears the marks of its parentage. The USA continues to be the single most important source of literature in the field of public administration.

This remarkable feature should not surprise us much for that country has seen the emergence of what is aptly called the 'Organisational Thrusts' and thus is face to face with the administrative phenomenon.

In India the traces of its history are only half-a-century old. The teaching of public administration began as a part of teaching in the subject of political science and it dates back to the 1930s, when the political science syllabus at Lucknow University included a full paper on public administration. A remarkable feature of the Lucknow University syllabus was that this paper was made compulsory.

Today, a large number of universities in India provide for the teaching of public administration, many of them having independent departments of public administration. Besides, this subject is also taught in the joint departments of political science and public administration as well as in the departments of political science.

Both the academics and practitioners of the discipline are required to make sincere efforts in the right direction before the discipline regains its status and a place of respectability among the other notable disciples of social sciences.

## PUBLIC ADMINISTRATION—SCIENCE OR ART

There is a difference of opinion among the thinkers on whether public administration is a science or an art. Most of them conceive it as an art and not a science. J. Winer, Professor of Economics at Princeton University USA, for example, has said, 'No one knows better than the occupants of the social science chairs that their discipline is so fallible and erratic that to persist in the term, scientific, is an open invitation to ridicule'. Cohen also denies it the status of a science. He argues that if human affairs obey casualty rules, it may be true that because of the infinite complexity of human affairs, these affairs would not demonstrate any 'laws' at all to be a finite being in finite time.

## Public Administration: A Science

But on the other hand there are a few thinkers who consider administration to be a science. Neeley of the Duke University says, 'Administration is an activity which demands correct analysis and accurate



orientation with relation to other sciences. To analyse and through analysis to understand and through understanding to make possible the final function of rational and creative action—this is the highest end which man can conceive for himself'. W. B. Donham writes, 'Administration is a social science with its own techniques, its own abstractions clustering around the concept of action through human organisations and its own problems of theory. It is vitally concerned in integrating other sciences, physical, biological and social, at the point where action is involved.'

Before we decide whether there is a science of administration or not, it is necessary to understand the meaning of the term 'science'. If science stands for a conceptual scheme of things in which every particularity may be assigned a mathematical value then administration is not a science. If, on the other hand, we rightly use the term in connection with a body of systematised knowledge, derived from experience and observation, then public administration is a science. Administration of some sort has existed since the earliest times and in the course of history a large and extensive volume of knowledge accumulated which formed the science of administration. The work of Kautilya, the prime minister of king Chandragupta Maurya, in the fourth century BC entitled *Arthashastra* is an excellent manual of public administration rather than a treatise on political philosophy. Similarly Abdul Fazal's *Ain-e-Akbari*, works of Micino in China, Cicero's *De Officiis* in Rome, Machiavelli's *Prince* in Europe and other scattered pieces are books written primarily with the purpose of passing on 'tips of the trade' to rulers and officials. In short, all ages and all countries have contributed their share of administrative experience. All this experience has been pooled together, analysed, correlated and systematised and it has been possible to formulate certain principles of administration, which serve as a guide to the administrator. Efforts have been made to discover the laws of public administration and thereby to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundation laid deep in stable principle'. Thus Willoughby writes:

In administration, there are certain fundamental principles of general application analogous to those characterising any science which must be observed if the end of administration, efficiency in operation, is to be secured and that these principles are to be determined... only by the rigid application of the scientific method to their investigation.

With a view to enriching the science of public administration and discovering new techniques and principles of administration, special institutions have been established in all the advanced countries. For example, in the UK, there is the renowned Institute of Public Administration; in the USA there is the famous Maxwell Graduate School of Public Administration at Syracuse and in India there is the Institute of Public Administration in New Delhi.

## Public Administration is Not a Science like Physical Sciences

Though we may call public administration a science but it cannot be an exact science like physics or chemistry. There is one main difference between these natural sciences and administration. This is the human element involved in the administrative activity. Thus, public administration can more rightly be called a social science because it deals with human beings who have a will and mind of their own and are capable of thinking and acting in a number of ways. Matters of human relationships are not amenable to the techniques of physical sciences. In other words, the methods of pure science are not applicable to administrative phenomena, only a scientific approach and a commonsense approach can be used in this sphere.



## Public Administration as Both a Science and an Art

Hence, public administration is both an art and a science but more of an art than science because its techniques are based mostly on practical experiences than on theoretical prepositions. Moreover, it is concerned not only with formulation of general principles but also with actual running of administration. Whether an official speaks, writes or tours on duty, his work always has some practical end. It is the act of doing things which makes it an art. An officer who possesses knowledge of the science of public administration will be a successful administrator just as a painter knowing the laws of composition and decomposition of light shall be a great painter. A good knowledge of the principles of public administration would help the administrator to undertake correct action but the knowing is not a substitute for action. Before taking action the mind has to be made up on the basis of science but ultimately there must be action to achieve the desired result and action is an art. Both the aspects of administration should be harmoniously blended together so that the best results may be obtained.

## NEW PUBLIC ADMINISTRATION

The discipline of public administration has seen many ups and downs ever since its emergence as an independent field of study. The 1960s and early 1970s were periods of turbulence, instability and confusion in the West, particularly in the United States. Public administration like other social sciences such as psychology, sociology and political science, stood shaken by this revolutionary period. Dwight Waldo's (1968) piece titled 'Public Administration in a Time of Revolutions'<sup>23</sup> reflected the status of the discipline during that turbulent period. Waldo viewed 'neither the study nor the practice of public administration was responding in appropriate measure to mounting turbulence and critical problems'.<sup>24</sup> According to Robert T. Golembiewski for public administrationists, the 1960s were like a war.<sup>25</sup>

The term 'new public administration' is the offshoot of the new trend and the new movement in the field that resulted in the holding of Minnowbrook Conference by young teachers and practitioners of Public Administration in 1968. This Conference is considered an important chapter in the genesis of a new public administration. Sometime later the two valuable volumes *Towards a New Public Administration: The Minnowbrook Perspective* and *Public Administration in a Time of Turbulence* edited by Frank Marini and Dwight Waldo respectively gave currency to the concept of new public administration. These two volumes appeared in 1971, one after the other.

The following can be cited as the major landmarks in the growth and emergence of new public administration:

- (a) The Honey Report on Higher Education for the Public Service, 1967. The report identified some problems confronting the discipline which needed immediate attention.
- (b) The Philadelphia Conference on The Theory and Practice of Public Administration, 1967.
- (c) The Minnowbrook Conference-I, 1968.
- (d) Publication of *Toward a New Public Administration: The Minnowbrook Perspective*, edited by Frank Marini, 1971.
- (e) Publication of *Public Administration in a Time of Turbulence* edited by Dwight Waldo, 1971.

While arguing the essence of 'new', Waldo, at the close of the Minnowbrook Conference, 1968, stated his impression that what seemed to characterise the event was some sort of movement in the direction of normative theory, philosophy, social concern and activism. Negatively, there was a turning away from positivism and scientism.

Frank Marini summarised initially the principal themes of the Minnowbrook conference under the following heads: relevance, antipolitivism, personal morality, innovation concern for clients and antibureaucratic philosophy. But later on the following sub-topics were utilised: morals, ethics and values, social-equity, client-focus; and repression. Relevance, value, social equity and change are believed to be the major themes of the Minnowbrook Conference of 1968.

According to Frank Marini, these themes may be elaborated as follows:

**Relevance:** 'Relevance' was an extremely common word at Minnowbrook and can be identified as one of the three or four major rubrics under which the themes making up the 'Minnowbrook perspective' can be grouped.

Public Administration has traditionally been interested in efficiency and economy. The new public administration movement pointed out that the discipline had little to say about contemporary problems and issues and was therefore becoming irrelevant. Todd R. L. Porte argues that there is almost no examination of the relevance of the concepts to social or organisational reality. He says that our primary normative premise should be that the purpose of public administration is the reduction of economic, social and psychic suffering and the enhancement of life opportunities for those inside and outside the organisation i.e., public organisations should be assessed in terms of their effect on the production and distribution of material abundance in efforts to free all people from economic deprivation and want. Furthermore, public organisations have a responsibility to enhance social justice.<sup>26</sup>

**Values:** The new public administration movement focused its basic normative concern in administrative studies. It rejected the value-neutral belief. Value-neutrality in public administration was considered an impossibility; the new public administration should be less 'generic' and more 'public'; less 'descriptive' and more 'prescriptive'; less 'institution-oriented' and more 'client-impact oriented'; less 'neutral' and more 'normative'; and no less scientific.

**Social equity:** New public administration adds *social equity* to the classic objectives and rationale for public administration. The protagonists of new public administration clearly state that the purpose of public action should be the reduction of economic and social disparities and the enhancement of life opportunities for all social groups inside and outside the organisation.

Frederickson is of the opinion that social equity includes activities designed to enhance the political power and well-being of the disadvantaged sections of society. He further argues that new public administration seeks to change those policies and structures that systematically inhibit social equity.

A commitment to social equity, writes Frederickson, not only involves the pursuit of change but attempts to find organisational and political forms which exhibit a capacity for continued flexibility or routinised change.<sup>27</sup>

**Change:** Social change is another theme of the youth conference. To serve the cause of social equity is to actively work for social change. The attack is on the status quo and against the powerful interests entrenched in permanent institutions. Social change is the basic need in order to make public administration fulfil its commitment to social equity. Change is basic to new public administration.

The proponents of new public administration agree on a number of issues. However, they also disagree on some points. Robert T. Golembiewski's three 'anti-goals' (what they reject) and five 'goals' (what they want to approach) of the new public administration are:

- (a) They reject, (i) the definition of public administration as 'value free', (ii) a traditional, perhaps deterministic view of humankind and (iii) any definition of public administration that was not properly involved in policy.
- (b) The new public administration is anti-technical—that means they decry the human being sacrificed to the logic of the machine and the system.
- (c) The new public administration is more or less anti-bureaucratic or anti-hierarchical.<sup>28</sup>

From a positive perspective, the five goals of new public administration are:

- (a) The new public administration considers mankind as having the potentiality of becoming perfect. Humans are not static factor of production.
- (b) It stresses the central role of personal and organisational values or ethics. There is an essential relationship between the structures and processes of administrative efforts and their ends.
- (c) Social equity should be the guiding factor for public administration. Social equity means that public administration should champion the cause of the underprivileged sections of society. It must become an active agent of economic and social change.
- (d) The new public administration advocates a client-oriented approach.

Twenty years after the original Minnowbrook Conference, another conference called the Minnowbrook-II was organised in 1988 at the same site to revisit the 1960s perspectives, to review developments of intervening decades and consider prospects for the future of public administration.

According to H. Frederickson, Minnowbrook-II was designed to compare and contrast the changing epochs of public administration. It provided a unique opportunity to compare the theoretical and research perspectives of the earlier generation with those of the 1980s and to discuss and speculate on how those contrasting perspectives have influenced and will continue to influence the conduct of governmental and other public affairs.

The Minnowbrook-II Conference included many of the themes of the 1968 conference. These were particularly ethics, social equity, human relations, reconciling public administration and democracy, and concern for the state of the field.

New public administration is responsive to a different set of social problems. Frederickson says that decentralisation, devolution, projects, contracts, sensitivity, training, organisation development, responsibility expansion, confrontation and client involvement characterise new public administration. These are essentially counter-bureaucratic notions. These concepts aim to enhance bureaucratic and policy change, and to increase the possibilities for social equity.

## REFERENCES

1. Simon, Smithberg and Thompson, 1950, *Public Administration*, New York: Alfred A. Knopf, p. 3.
2. J. M. Pfiffner and Presthus, 1960, *Public Administration*, New York: The Ronald Press Co., p. 3.
3. L. D. White, 1955, *Introduction the Study of Public Administration*, New York: Macmillan Co., p. 1.

4. J. M. Pfiffner, 1946, *Public Administration*, New York: The Ronald Company, p. 6.
5. H. Walker, *Public Administration in United States*, p. 5.
6. D. Waldo, 1967, *The Study of Public Administration*, New York: Random House, p. 2.
7. Marshall E. Dimock, 1937, 'The Study of Administration', *American Political Science Review* February, pp. 31–32.
8. Hohn M. Gaus, 1947, 'The Ecology of Government', in *Reflections on Public Administration*, University of Alabama Press, pp. 1–19.
9. Fred W. Riggs, '1961, *The Ecology of Public Administration*, New York: Asia Publishing House.
10. Fred W. Riggs, 'The Ecology of Public Administration Theory', in *Administrative Change*, XX. (1–2), July 1992 –June, 1993, Jaipur, p. 1.
11. S. R. Maheshwari, 1991, *Theories and Concepts in Public Administration*, New Delhi: Allied Publishers Ltd., p. 14.
12. Dimock and Dimock, 1969, *Public Administration*, New York: Rinehart & Co. Inc., p. 15.
13. Peter Self, 1972, *Administrative Theories and Politics*, London: George Allen and Unwin Ltd., p. 12.
14. Published in *Political Science Quarterly*, 2, June 1987, pp. 197–222.
15. Dwight Waldo (Ed.), 1953, *Ideas and Issues in Public Administration*, New York: McGraw-Hill Book Company, Inc., p. 64.
16. Ibid., p. 67.
17. Frank J. Goodnow, 1900, *Politics and Administration: A Study in Government*, New York: Macmillan.
18. Gulick, Luther H. and Lyndal Urwick (Ed.), 1937, *Papers on the Science of Administration*, New York: Institute of Public Administration, p. 49.
19. W. S. Sayre, 1958, 'Premises of Public Administration, Past and Emerging', in *Public Administration Review*, 18(2), pp. 102–03.
20. Herbert A. Simon, 1947, *Administrative Behaviour: A Study of Decision making Processes in Administrative Organisations*, New York: Macmillan.
21. R. A. Dahl, 1947, 'The Science of Public Administration: Three Problems', *Public Administration Review*, 7(1), pp. 1–11.
22. Ibid., pp. 1–11.
23. The paper was published in *Public Administration Review* (July/August, 1968), pp. 362–68.
24. Frank Marini (Ed.), 1971, *Toward a New Public Administration—The Minnowbrook Perspective*, Soranton: Chandler Publishing Company, p. xiii.
25. Robert T. Golembiewski, 1977, *Public Administration As a Developing Discipline*, New York: Marcel Dekker Inc., p. 117.
26. Tod R. La Porte, *The Recovery of Relevance in the Study of Public Organisation*, in Frank Marini, op. cit., pp. 17–18.
27. H. George Frederickson, *Toward a New Public Administration*, in Frank Marini, op. cit., p. 312.
28. Robert T. Golembiewski, 1977, *Public Administration As a Developing Discipline*, Part-I, p. 117.

# 2

## Theories of Organisation

---

### **SCIENTIFIC MANAGEMENT THEORY**

#### **Taylor and his Associates**

##### ***The background***

The first coherent organisation theory called 'scientific management' was formulated in the beginning of the twentieth century. In that period, conditions in factories were rather unplanned, and there was nearly complete absence of standardisation of methods of work. Workers were left entirely to themselves in matters of choosing their methods to be employed for doing their work. It was against such a general background of managerial unconcern for methods and tools of work that scientific management emerged as a new philosophy of management.<sup>1</sup>

Prominent leaders like Henry R. Towne and Henry Metcalf tried to develop a unified system of management. Towne called this new philosophy of management the 'science of management' <sup>2</sup> The theory of scientific management, like the classical theory, was developed by scholars whose primary interest was in directly improving the practice of administration. They were not satisfied with merely describing organisations; they propounded and prescribed principles and practices for better organisational performance. Scientific management is a micro level theory. Its unit of analysis is the physical activities of work. It deals mainly with the relationship of a worker to his or her work. Emphasis remains on man-machine relationship with the objective of improving performance of routine, repetitive production tasks.

##### ***Frederick Winslow Taylor***

Among the scholars mentioned earlier, the contribution of F. W. Taylor is most prominent in the development of a theory of scientific management. Taylor, an engineer by training, is regarded as the father of

scientific management, as it was he who first advocated the systematic adoption of the methods of science to problems of management in the interest of higher industrial efficiency.<sup>3</sup> Taylor did not himself attempt to study the entire organisation of any industrial plant, rather he concentrated on intensive analysis of work processes at the level of the individual worker. Based on his experiments, he developed a fundamental concept termed 'one best way', —a truly revolutionary concept of his times.<sup>4</sup> Further, orderliness is the tone of Taylor's thoughts; he was reacting to the disorder he witnessed in a typical organisation of his times, where, as he relates, the workers were not being 'managed'. The workers were following the 'rule-of-thumb' method, i.e., they themselves decided what methods to follow and selected their own tools for each operation. Instead of standard work procedures, discovered and prescribed for them by a management really fulfilling its role, each workman used rule-of-thumb methods developed over years in his trade. These constituted what Taylor called 'traditional' knowledge as opposed to 'true science'. Taylor said,

Now among various methods and implements used in each element of each trade there is always one method of one implement which is quicker or better than any of rest. And this one best method and best implement can only be discovered or developed and implements in use, together with accurate, minute motion and time study.<sup>5</sup>

## Principles of the Theory

Scientific management stressed upon rationality, predictability, specialisation and technical competence. It focussed on the design and operation of production processes at the 'shop' level of the organisation.

Taylor emphasised on the theory of society's prosperity. Close collaboration and deliberate cooperation between the workmen and the management was based on mutual interests and on the following four basic principles:

### ***The development of a true science of work***

This implies a *scientific* investigation of a large daily task, to be done by gathering the traditional knowledge held by the workers, which is their life-long fixed capital and the most valuable property. The results of investigations have to be classified, tabulated and reduced into rules and laws to find out the ideal working methods or what is called the 'one best way of doing a job'.

### ***Scientific selection of workmen***

To ensure the effective performance of the scientifically developed work, there is also a need to scientifically select the best workers, who possess the right physical and intellectual qualities.

### ***Training the workers***

Taylor insisted that every worker must be systematically and thoroughly trained. He felt that it is the responsibility of the management to develop the workers, offering them opportunities for advancement, so they can do their job to the fullest realisation of their natural capacities.<sup>6</sup>

### ***Functional foremanship***

Taylor advocated the division of work between managers and workers, thus favouring a complete separation of the *planning* function from the *doing* function. He proposed using specialised experts known as 'functional foremen', each of whom was to be responsible for some specific aspect of the worker's task, such

as finding the best machine speed, deciding on job priorities or inspecting the work. The worker was to take orders from each of these foremen, depending upon whether the matter concerned planning, machine speed or inspecting.<sup>7</sup>

### **Criticism**

The following are the major drawbacks in the scientific management theory:

- (a) Trade unions opposed the modern methods of increasing output by the introduction of the 'premium bonus system'. Labour leaders blamed Taylorism for not only destroying trade unionism but also destroying the principle of collective bargaining and causing continuous increase in unemployment.
- (b) Taylorism was also often attacked by managers. Those who wanted quick promotions to high managerial position without any merit based on higher education, opposed Taylor's stand, which advocated training by highly trained experts.
- (c) Elton Mayo through his classic Hawthorne investigations conclusively proved that it is not the structural arrangements which are important for increasing productivity and efficiency in an organisation, but it is the emotional attitude of the workers towards their work and their colleagues.
- (d) Another criticism of Taylor is that he did not properly understand the anatomy of work. His emphasis on the minute division of work and specialisation was severely criticised on grounds that the work gets depersonalised, the worker becomes a mere cog in the machine, and the relations between the workers and the executive become remote.
- (e) Behaviouralists charged that Taylor's methods of scientific management sacrifices the initiatives of the workers, their individual freedom and the use of their intelligence and responsibility.<sup>8</sup>

## **BUREAUCRATIC THEORY**

We are reminded of Max Weber (1864–1920) whenever there is a discussion about bureaucracy. Weber, known as the 'father of modern bureaucracy', was the first social scientist who made a systematic study of bureaucracy and its characteristics. The Weberian model of bureaucracy has been a source of inspiration to many scholars because it reflects the spirit of modern bureaucracy. Chronologically, he was contemporary of both Taylor and Fayol. Weber foresaw the growth of large scale social organisations, and correctly predicted that this growth required a formalised set of procedures for administrators. To him, it was primarily the capitalistic market economy which demanded that the official business of the administration be discharged precisely, unambiguously, continuously and speedily.<sup>9</sup>

In line with sociologists such as Comte (1798–1857), Spencer (1820–1903) and Durkheim (1858–1917), Weber had the whole of human social behaviour as his field of analysis,<sup>10</sup> besides being interested in a comprehensive explanation of bureaucracy as a sociological phenomenon.<sup>11</sup> In the analysis of social relations, Weber's ideas should be considered keeping in view his theory of domination.

Domination (the word 'domination', as used by Weber, stands for 'authority')<sup>12</sup> refers to a power relationship between the rulers and the ruled. In any kind of established authority, there exist a number of beliefs that legitimise the exercise of power in the eyes of the leaders and the led. The other important element in this approach is the mother of the administrative apparatus. Domination when exercised over

a large number of people necessitates an administrative staff which will execute demands and serve as a bridge between the ruler and the ruled. The principles of legitimacy and the administrative apparatus constitute the two important criteria for Weberian construction of a typology of domination. Weber identified three types of legitimation, each corresponding to a particular kind of domination.

**Charismatic domination:** By virtue of personal charisma and extraordinary qualities, a leader may inspire faith and loyalty among his or her followers, who unquestioningly accept their leader's domination. In this kind of an authority system, the administrative apparatus is very loose and unstable and is made up of the followers of the leaders.

**Traditional domination:** This kind of authority receives ready obedience because of a peculiar faith in traditional status and personal loyalty to the ruler. The administrative apparatus consists of the personal retainers, servants and relatives.

**Legal/rational domination:** The legitimacy of legal/rational domination is based on the belief in the righteousness of law. People obey the laws because they believe that these are enacted by a proper, objective, procedure. The typical administrative apparatus corresponding to this kind of domination is the modern bureaucracy.<sup>13</sup>

According to Weber, his ideal type corresponds to the administrative apparatus found in legal domination. It possesses, in the words of Albrow<sup>14</sup> following characteristics:

- (a) The staff members are personally free, observing only the impersonal duties of their offices.
- (b) There is a clear hierarchy of offices.
- (c) The functions of the offices are clearly specified.
- (d) Officials are appointed on the basis of contract.
- (e) They are selected on the basis of professional qualifications, ideally substantiated by a diploma gained through examination.
- (f) They have a money salary, and usually pension rights. The official can always leave the post and under certain circumstances it may also be terminated.
- (g) The official's post is his sole or major occupation.
- (h) There is a career structure and promotion is possible by seniority or merit and according to the judgement of superiors.
- (i) The official may appropriate neither the post nor the resources which go with it.
- (j) He is subject to a unified control and a disciplinary system.

More details of these characteristics are given below:

## Characteristics of the Ideal Type

The Weberian ideal type construct of the modern bureaucracy possesses the following distinguished features:

**The impersonal order:** The most striking and thought provoking idea is Weber's belief that 'impersonal order' should orient the actions of the bureaucrats both in the issuance of the commands to subordinates and their obedience to them.



**Rules:** A fundamental characteristic of Weberian ideal type of the bureaucracy is the continuous organisation of official functions bound by rules or norms.

**Sphere of competence:** According to Weber, a specified sphere of competence involves (a) a sphere of obligation to perform functions which have been marked off as part of a systematic division of labour, (b) provision of the incumbent with the necessary authority to carry out these functions and (c) clearly defined means of compulsion, subject to definite conditions in their uses.

**Hierarchy:** According to Weber, the organisation of offices follows the principle of hierarchy, that is each lower office is under the control and supervision of a higher one.

**Personal and public ends:** Weber's ideal type of bureaucracy requires separation of administrative staff from the ownership of the means of production or administration. It also pleads for a complete absence of appropriation of official position by the incumbent.

**Written documents:** In his ideal type, Weber emphasises that 'the administrative acts, decisions and rules are formulated and recorded in writing even in cases where oral discussion is the rule or is even mandatory'.

**Monocratic type:** The most commendable part of the Weberian model is its insistence on the selection of technically qualified people. The other criteria for the official are 'fixed salaries paid in money, full time occupation in the office, prospects for further promotion in the career, and strict and systematic discipline and control'. Weber asserted that the democratic bureaucratic organisation from purely technical point of view could be capable of attaining the highest degree of efficiency.<sup>15</sup>

## Criticism of Weber's Theory

**Inflexibility:** Strict adherence to the principle of hierarchy, stress on rules and written documents make the bureaucratic organisation inflexible. The evil of red-tape also surfaces.

**Dysfunctionalities:** According to Merton<sup>16</sup>, the bureaucratic structure, especially is the hierarchy of rules, considered rational by Weber, may in fact generate consequences that are unexpected and detrimental to the attainment of organisational objectives.

**Internally inconsistent:** Parsons<sup>17</sup> draws attention to the fact that it is not always possible to ensure that high position in the hierarchy of authority will be matched by equivalent professional skill. This may generate interest problems in an organisation such as mutual suspicion, empire building etc.

**A closed model:** According to Herbert Simon<sup>18</sup>, Weber in his model has relegated environmental factors to the background...

**Unapplicable:** A number of critics, for example Peter Blau, believed that Weberian model of bureaucracy cannot be applied to administrative systems of different places and times, particularly in the developing countries.

**Human aspects:** Human relationists have condemned the bureaucratic model of administration for taking a mechanistic view of human beings. To them, this model does not take into account the behavioural aspects of the people working within the organisation.

To sum up, it may be said that the bureaucratic model developed by Weber can be used only to describe the ideal type of bureaucracy.

## CLASSICAL ADMINISTRATIVE THEORY

Classical theory, also known as 'mechanistic theory', is supported by Henry Fayol, Luther Gulick, L. F. Urwick, J. D. Mooney, F. W. Taylor and Max Weber among others. According to this theory, administration

is an administration, regardless of the kind of work which is being undertaken in the context within which it is undertaken.

## Weber and Classical Theory

Max Weber, a German social scientist, is regarded as the father of bureaucratic theory, a basic content of classical organisation theory relating to structure and administrative process of the organisation. He maintains that bureaucratic organisation is the most rational means for carrying out imperative control over human beings. A bureaucratic organisation is characterised by specialisation, hierarchy of authority, rules, impersonal relations and trained administrative personnel.<sup>19</sup>

## Principles of Administration

**Contribution of Henry Fayol:** In 1916, Henry Fayol's outstanding book *General and Industrial Management* was published. His paper 'Theory of Administration in the State' is considered a major contribution to the theory of public administration. His main theme is that there is a single science of administration whose principles could be applied to all kinds of administration. Fayol described management as a function, a kind of activity. He classified the major functions of management as following: (a) planning, (b) organisation, (c) command, (d) coordination and (e) contro.<sup>20</sup>

**Principles of management:** Henry Fayol has advocated the following principles:

- (a) **Division of work:** It leads to specialisation and better work performance.
- (b) **Authority and responsibility:** He favoured the parity of authority and responsibility.
- (c) **Discipline:** Discipline among employees is essential for productivity.
- (d) **Unity of command:** Employees should receive orders from their superior only.
- (e) **Unity of direction:** There should be one head and one plan for each activity.
- (f) **Subordination of individual interest to general interest:** The interest of the group needs to prevail over individual interest.
- (g) **Remuneration of personnel:** It should be fair and should afford maximum satisfaction both to the employees and the organisation.
- (h) **Centralisation:** The extent of concentration or disposal of authority will depend on individual circumstances enabling to give the best overall yield.
- (i) **Scalar chain:** It denotes the line of authority from top to lower level for the purpose of communication. It can be short-circuited to meet the needs.
- (j) **Order:** Each employee occupies a job wherein he can render the best services.
- (k) **Equity:** It is the combination of kindness and justice in a manager which he should apply while dealing with the subordinates.
- (l) **Stability of tenure:** High turn-over is detrimental to organisational development.
- (k) **Initiative:** It is the ability to think afresh. Fayol wants managers to sacrifice 'personal vanity' to increase zeal and energy among the employees.
- (l) **Espirit de corps:** It is required for team work.

**Luther Gulick and Urwick:** In 1937, Luther Gulick and Lyndell Urwick edited a series of papers on the science of administration which brought together the major writings of the time. Six years later, Urwick published *The Elements of Administration*, which is more notable for its synthesising properties than for its originality. His work, crystallised these similar concepts that had been developed independently, integrating them into a relatively uniform body of knowledge.<sup>21</sup>

**Gulick:** Gulick summed up the principle of organisation in the word POSDCORB, each letter of which stands for a particular function: planning; organisation; staffing; directing; co-ordination; reporting; budgeting.

Further, Gulick<sup>22</sup> enumerates ten principles of organisation. In working out these principles Gulick seems influenced by Fayol's fourteen basic elements of administration. These are: (a) division of work or specialisation, (b) basis of departmental organisations, (c) coordination through hierarchy, (d) deliberate coordination, (e) coordination through committees, (f) decentralisation, (g) unity of command, (h) staff and line, (i) delegation and (j) span of control.

**Urwick:** Urwick<sup>23</sup> identifies following eight principles of organisation. These are:

- (a) The principle of objectives, i.e., the organisation should have a clear goal
- (b) The principle of correspondence, i.e., the authority and responsibility should be equal
- (c) The principle of responsibility, i.e., the superior is absolutely responsible for the work of subordinates
- (d) The scalar principle
- (e) The principle of the span of control
- (f) The principle of specialisation
- (g) The principle of coordination
- (h) The principle of definition.

**Key elements of classical theory:** From the discussion above, the following points came to the fore. These are also known as pillars of classical organisation theory:

**Division of work:** The division of work implies that work must be divided to obtain a clear cut specialisation with a view to improve the performance of the organisation. This brings about specialisation. The more specialised a worker becomes in fulfilling a particular job, the more efficient the whole organisation will be. For division of work, it is necessary to identify the work to be accomplished. Fayol has identified six such functions: technical, commercial, financial, security, accounting and managerial.

**Departmentalisation:** Division of work is followed by its assignment to the individuals responsible for its performance. The classical theorists are concerned primarily with the way in which the work is assigned to the individuals so that their specialisation can be used effectively.

Gulick and Urwick have suggested four alternative basis for grouping work: purpose, process, persons and place.

**Co-ordination:** Co-ordination is an orderly arrangement of group effort to provide unity of action in pursuit of common purpose with economy and efficiency. All persons in the organisation contribute to organisational efficiency, and it is maximised only if the efficiency of every person in the organisation is maximised and integrated. According to the formalised model of departmentalisation developed by the classical theorists, problems of coordination are eliminated because the set of activities to be performed is decided in advance and these activities are assigned to organisational units or individuals.

**Human behaviour in organisations:** These theorists take human beings in the organisation as an inert instrument performing the tasks assigned to them. Further, there is a tendency to view personnel as given rather than as a variable in the organisation. To them, the employees put maximum work if they are satisfied, as such the remuneration and methods of payment should be fair and provide maximum satisfaction to employees and employers. Thus, physiological satisfaction is the basis of work performance and efficiency.<sup>24</sup>

## Drawbacks of Classical Theory

Following are the major drawbacks and criticism levelled against the classical theory.

Herbert Simon has argued that the principles of the classical theory embody nothing more than prov-erbs which do not have either universal applicability or any validity.<sup>25</sup>

James C. March and Herbert A. Simon argue that the classical theory views the personnel in an organisation as an inert instrument performing the tasks assigned to them.<sup>26</sup>

As Thompson has pointed out, the organisational theorists invariably assume that goals are known, tasks are repetitive, production output somehow disappears from the factory, and the organisation is a closed system and impervious to all but major changes in environment.<sup>27</sup>

Robert Merton says that in the classical theory, the techniques used to secure reliability include standard operating procedures and constant supervision. To him, this results in a reduction in the amount of personalised relationships in the organisation.<sup>28</sup>

It only emphasises non-economic incentives and also ignores the psychological and sociological variables as well as informal organisation.

## HUMAN RELATIONS THEORY

### Introduction

The classical administrationists and their so-called universal conceptualisations were criticised for taking a mechanistic view of organisation. They upheld the view that 'principles' and 'techniques' can be found that can structure organisations for effective performance. The human element was sidelined. The human relations theory (HRT) appears to be an answer to this criticism. It focuses on organisational variables like emotions, personal motivations, informal group norms etc. Surprisingly, this theory grew out of the results of experiments conducted to undertake research in scientific management methods and variables put forth by the classicists. It was discovered that the real cause of human behaviour was more than mere physiological variables. These findings generated a new phenomenon about organisational functioning and focused attention on the human beings in organisations.<sup>29</sup>

The single greatest influence which made the classical or the mechanistic theory of organisation fall into disfavour came from the Hawthorne experiments which were carried out in USA, in the late 1920s and early 1930s. It is important to describe these experiments because they were considered 'unorthodox'.

The experiments were carried out at the Western Electric Company at Hawthorne, under the leadership of Elton Mayo and his colleagues of the Harvard Business School.<sup>30</sup>

### Hawthorne Experiments

The Hawthorne researchers got the impetus from earlier studies that were based on the scientific management tradition. Initially, a study was undertaken to find out the relationship between intensity of

illumination and workers' efficiency as measured by their output. The study could not come out with any consistent relationships between the two variables. Strangely enough, with reduction in illumination, output registered an increase. This led the researchers to take into account other variables such as length of the working day and rest periods. The research finding was that regardless of any variation in the physical conditions of work, production continued to increase. At this stage, it was hypothesised that changes in output were not due to changes in physical conditions; rather these were related to changes in social situations at the workplace, and supervision. The research was pursued in two other phases. In the second phase the importance of social factors in the work situation was confirmed. In the third phase, small group behaviour was the focus of research. It was found that actual production norms were set by the informal work group, and such norms were often at variance, with those fixed by the management. The experiment clearly revealed the critical influence of social organisation on individual workers. Social organisation was the network of relationships among workers based upon the attitudes and sentiments. The most important finding of the Hawthorne studies was that social and psychological factors at the work place are the major determinants of workers' satisfaction and organisational output.<sup>31</sup>

## Major Findings of Hawthorne Experiments

The major findings and conclusions of the Hawthorne experiments<sup>32</sup> include the following:

- (a) The social system of workers defines individual's roles and establishes norms that may differ from those of the formal organisation.
- (b) Non-economic rewards and sanctions play quite a significant role in guiding the behaviour of the workers. It is their perception of the situation that matters and not that of the management. They fear reprisals for violation of group norms.
- (c) Often workers do not act or react as individuals but as members of groups.
- (d) There is an emergence of informal leadership as against formal leadership and that sets and enforces group norms.
- (e) Increased satisfaction leads to increased organisational effectiveness.
- (f) Management must possess not only technical skills but also effective social skill.

In short, the Hawthorne experiments contained many startling findings on employees' attitudes to work and supervision, and disclosed the tendency on the part of employees to form small social groups with their own status system, behavioural patterns, beliefs and goals which may be different from or even opposed to the stipulations and prescriptions of the formal organisation. So new, indeed, were these that they gave rise to a new theory of organisation, called human relations movement.<sup>33</sup>

## Main Propositions of the Theory

According to Keith Davis<sup>34</sup>, the following four are the important propositions of the Human Relations.

**Human dignity:** Respect for the personality of each and every individual, irrespective of the position they occupy in the official hierarchy, is the cardinal principle in human relations. This implies that the supervisors have to recognise the fact that the dignity and sense of self-respect of every individual in an organisation has to be protected.

**Individual differences:** Every individual has a separate and independent personality, and they cannot be treated merely as a cog in the organisational structure. Management can best handle its labour or employee problems by recognising the fact of individual difference.

**Mutual Interest:** Human beings are by nature gregarious, they want to co-operate and work together, or that when they work together they develop a common interest of each member.

**Motivation:** Human beings have a tendency to develop a community of interest while working with others. Therefore, the management of any organisation should motivate their workers to develop an *esprit de corps*.

**Informal organisation:** As referred to earlier, in contrast to the classicists' emphasis on formal organisation, the human relations theory brought to fore the concept of informal organisations. According to Roethlisberger<sup>35</sup>, 'Too often we try to solve human problems with non-human tools and in terms of non-human data. It is my simple thesis that a human problem requires a human solution.' First, we have to learn to recognise a human problem when we see one; and second, upon recognising it, we have to learn to deal with it as such and not as it were something else. A human problem to be brought to human solution requires human data and human tools.

In short, from the above, the following essentials of this theory emerge:

- (a) The need for recognition of human element and the well being and motivation of them.
- (b) Good supervision is exercised with proper understanding of the subordinates.
- (c) It is important to have proper communication and consultation between the managers and the workers. This creates a sense of participation and involvement among the employees.
- (d) Economic incentives are not the sole motivators.
- (e) The flow of work and arrangements of operations should give full play to the informal organisation of the workers.<sup>36</sup>

## Criticism

The human relations theory is criticised on account of following drawbacks. In the words of Drucker,<sup>37</sup> The theory of human relations freed management from the domination of viciously wrong ideas but it did not succeed in substituting new concepts. Human relations put all the stress on inter-personal and the informal groups. Its starting point was individual psychology rather than the analyses of workers and work. As a result, there was a tendency for human relations to degenerate into mere slogans which became an alibi for having no management policy with respect to human organisations.

The other points of criticism are: a total neglect of formal or technological structure of an organisation. Second, the focus of this theory is quite narrow as it places higher attention on an individual in an organisation. Third, this theory may also be criticised for emphasising harmony and meeting conflict.

## BEHAVIOURAL APPROACH

Behaviouralism is an approach that emphasises the application of scientific methods and perspectives to the study of 'administration'. Behaviouralism focuses on the actual behaviour of individuals and groups rather than their formal roles or the institutions and structures within which they function. Behaviouralists try to be rigorous and systematic in their research and seek precision by the quantification and measurement of

data. They attempt to discover uniformities or regularities in administrative behaviour through formulation and testing of empirical hypothesis. Behaviouralism sees an essential relationship between theory and empirical research.

Behaviouralism 'aims at stating all the phenomena of government in terms of observed and observable behaviour of men'.

Behaviouralism, according to David Truman, maintains that (a) research must be systematic and (b) it 'must place primary emphasis upon empirical methods'. By 'systematic research' he means 'a precise statement of hypothesis and a rigorous ordering of evidence'.

Behavioural approach developed in the 1930s and 1940s along with human relations movement and after World War II it became the dominant approach. In public administration it was adopted by Chester Barnard and Herbert Simon. Barnard's approach to organisation was behavioural because he had emphasised on the psychological aspects of management. His book, *The Functions of the Chief Executive* (1936) is a treatise on organisational behaviour. A formal organisation according to him is 'a system of consciously coordinated activities or forces of two or more persons'. His equilibrium theory of organisation states that any organisation exists by maintaining equilibrium between the contributions and the satisfaction of its participant members. He noted the existence of informal organisations and acknowledged their significance for formal organisations. His concept of authority is a matter of acceptance of the superior role of the supervisor by the subordinate. He highlighted the role of leadership in organisational management.

Herbert Simon in his book *Administrative Behaviour* (1947) explores the socio-psychological impacts of human beings in decision making in an organisation. He stresses on the cognitive aspects of organisational operations and emphasises problem-solving and rational choice. He introduces the concept of 'satisfying' behaviour in organisational context where human beings seek to attain a satisfactory level of performance. Simon's idea on decision making has been already discussed. The other important scholar who contributed for the development of behavioural approach include, Ferral Heady, S. Stokes, H. W. Riggs, Burger, Robert Presthus, Chris Argyris, Warren G. Bennis, Maslow, MacGregor, Likert and Herzberg, etc.

## Weaknesses of Behaviouralism

Critics have pointed out that Behaviouralists failed to produce any science of human behaviour. Administrative phenomena are more changing and less uniform. Behaviouralists emphasise more on their ways, as Avery Leiserson says that they leave out important things and collect data for unimportant events. They try to be objective, but without value the study and thing is meaningless; on the contrary they all believe in Liberal Democracy. Chritain Bay says that they are biased for Liberal Democracy. Behaviouralists emphasise an inter-disciplinary approach without knowing how the administrative sphere can be demarcated from the sphere of society or human mind. Administration cannot be defined behaviourally but only grasped by the 'eyes of the mind'.

The behavioural studies are now prominently being used in organisational redesigning and problem solving. The focus of behavioural approach is to explain administrative processes that are common to many forms of organisation. It made social science modern because it deals with what is and not with what ought to be.

## SYSTEM APPROACH

The main concept in the general systems theory is the concept of system. What is a system? The *Oxford English Dictionary* defines the term 'system' as 'organised whole', 'an organised or connected group of object', 'a set or assemblage of things connected, associated, or inter-dependent, so as to form a complex unity; a



whole composed of parts in orderly arrangement according to some scheme or plan'. Ludwig Von Bertalanffy, who first used this approach in biology, defines system as a 'set of elements standing in inter-action'. A. Hall and R. Fagan define system as 'a set of objects together with relationships between their attributes'. Further Colin Cherry defines it as 'a whole which is compounded of many parts—an ensemble of attributes'.<sup>38</sup> The systems approach helps in understanding of organisations in totality including different parts and their relationships.

The systems theory started in biology and came to social sciences through anthropology and sociology and a little later in political science and later in public administration.

## General Systems Theory: Concepts

The basic concepts of this theory can be divided into three categories:

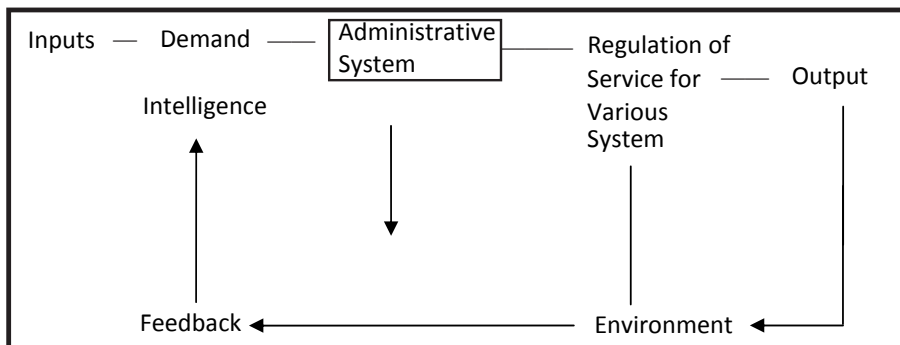
- (a) Concepts which are of descriptive nature,
- (b) Concepts which try to highlight the factors responsible for regulating and maintaining systems, and
- (c) Concepts which focus on dynamics of changes in the system.<sup>39</sup>

Further, the first category concepts include concepts which make a distinction between one kind of system and another, between open and closed systems, or between organismic and non-organismic systems. Hierarchically, systems have subsystems and their interactions. Under this category, internal working of the organisation can be understood through degrees of integration, differentiation, interdependence or centralisation. The system also interacts with environment and this brings in the concept of boundary, inputs and outputs, etc.

The second category concepts help us in the understanding of factors responsible for regulating and maintaining the various systems. Here the notions of stability, equilibrium and homeostasis are introduced. Connected with the process of regulation and maintenance of systems there are a number of process variables like feed-back in various forms, repairs and reproduction, entropy etc.

The third category of concepts are connected with change or dynamics. Change can be both non-disruptive as well as disruptive. Non-disruptive change can be brought about through responses to altered environmental conditions. Non-disruptive change can be either reversible or non-reversible—this brings in concepts such as adaptation, learning and growth. Together with non-disruptive change we can also study systematic purposes, goals and teleology. All changes, however, are not non-disruptive. Change

**Figure 2.1** *Diagram of System Approach*





can be disruptive also— involving fine distinctions between the notions of disruption, dissolution and break-down. Along with them, one can also make use of the notions of systemic crisis, stress and strain, and of overload, or decay.<sup>40</sup>

## Relevance of Systems Approach to Public Administration

The concepts developed by the general systems theory open new questions and create new dimensions for investigation into the administrative process and several of them can be used to great advantage in the analysis of administrative phenomena. Felix A. Nigro and Llyod G. Nigro point out that systems framework starts with the proposition that all social organisations share certain characteristics. Important among these characteristics are<sup>41</sup>:

- (a) Organisations, as open systems, ‘constantly seek and impart resources (inputs) in both human and material form and transform these inputs into products and services, using internal social and technological processes (throughputs)’.
- (b) Organisations as open systems, ‘export their products to the external environment and these outputs usually become the inputs of other organisations’.
- (c) Organisation structures develop around patterned activities that form stable and predictable input, throughput and output cycles.
- (d) Overtime, structural differentiation and task specialisation are common system responses to the search for resources and adaptiveness, and, as the organisation becomes more complex, managerial structures for coordination and control become more elaborate.
- (e) ‘Feedback in the form of information about environmental responses to organisational activities (outputs) is used to keep the system on course with regard to its goals and to evaluate the performance of the organisation and its sub-units.’
- (f) Organisations, as systems, seek equilibrium ‘or a stable state, both internally and in relation to external forces, and they achieve’ equilibrium through a constant process of adoption to their environment’.

## Evaluation

The entire approach is rooted in conservatism and reaction. It discards the traditional theorist’s view of ‘one best solution’ for structuring of organisations and provides the ‘situational’ or ‘contingency’ view for structuring of organisations. According to this theory, the structures can vary from situation to situation depending on environmental and technological factors.

## PUBLIC CHOICE THEORY

The ‘public choice approach’ to public administration came into existence in the 1960s, along with ‘new public administration’. The theory has been chiefly propounded by Vincent Osfrom (1974) and William Niskanen (1971). The chief protagonist of this approach advocated for replacement of the traditional doctrine of bureaucratic administration by the concept of ‘democratic administration’. In his book *The Intellectual Crisis in American Public Administration* Osfrom writes, ‘Bureaucratic structures are necessary

but not sufficient, structure for a productive and responsive public service economy. In brief, Osfrom's further argument is as follows:

Perfection in the hierarchical ordering of a professionally trained public service accountable to a single center of power will reduce the capability of a larger administrative system to respond to diverse preferences among citizens for many different public goods and services and cope with diverse environmental conditions.

A variety of different organisational arrangements can be used to provide different public goods and services. Such organisation can be coordinated through various multi-organisational arrangements.

Other protagonists of public choice approach are Buchanan, Downs, Olson, Tullock, Mitchell, Niskanen and Oppenheimer. They formulated the theory of administrative egoism which suggests that real-life bureaucracy is usually antithetical to public interest and favours resource manipulation and self-aggrandisement. They believe that bureaucracy prefers self-interest to public interest.

According to Mohit Bhattacharya, public choice is '...essentially a critique of the bureaucratic model of administration. It deals with the possibility of institutional pluralism in the provision of public goods and services... thus locates public administration within the domain of politics and an appropriate theory of political organisation.'

Public choice theory's major contribution to the area of public administration has been the fact that it has questioned the very basis of bureaucracy-run government. The theory contends that the role of public administration is to develop decentralised, small-scale service systems at different levels of government. It is an approach and methodology, which studies processes by which people indicate preferences and choices in areas other than market. The public choice school thus locates public administration within the domain of politics and an appropriate theory of political organisation.

An application of public choice theory in public administration is explained in the following section. An individual must be given choices for buying a car. In other words, the market should have multiple brands of car. An individual's choice should be determined by taxation mechanism. Some cars consume less oil and cause less air pollution; some consume more. An individual enjoys the freedom to buy a limousine but he or she must pay a greater price for a limousine, as they must pay more for air pollution and greater consumption of oil. With taxation mechanisms we deal with energy crisis and problems of pollution. The tax money thus mopped up is utilised for research in order to develop alternatives to conventional sources of energy and to combat pollution problems. Individuals thus enjoy the freedom to make their choices but they must also be prepared to pay a higher price in the process. Thus, general citizenry does not have to share the burden of luxuries enjoyed by some specially-inclined individuals.

Public choice theory has emerged as a powerful theory in policy-making since the 1970s, as it seeks to impart an altogether new orientation to public administration. It commits itself to market values and is thus set against monopolies. The market system is based on a competitive principle: a customer enjoys the opportunity of choosing between numerous service providers. The public choice theory thus abolishes the monopoly of the government in respect of the supply of public services: it instead introduces the market. As under the public choice theory, public bureaus will be exposed to competition and there will be a continual search for improvement in service standards. This also promotes decentralisation: as the users have a choice between competing service suppliers, power is decentralised.

## SALIENT FEATURES OF PUBLIC CHOICE

The public choice theory revolves around self-interest a national individual seeks to maximise his or her utility in the market. It advocates increased economic incentives or markets for public administration and adopt economic analysis to understand political behaviour. Their aim is to give greater choice to individuals and they encourage the government to provide a plurality of institutional, choice or quasi-markets. The theory promotes the competitive market arguing that if the bureaucracy monopolises service delivery, the result will be over-supply and inefficiency.

Main features of the public choice approach are:

- a) Dissemination of more information for public benefit about the availability of alternatives to public services offered on a competitive basis, and at competitive costs.
- b) It stands for diverse democratic decision-making, centred around decentralisation and popular participation in administration.
- c) It is an anti-bureaucratic approach.
- d) It is a critique of the bureaucratic model of administration.
- e) It encourages institutional pluralism in the provisions of public goods and, services.
- f) Plurality of governments and public agencies is supported 'on the ground of consumer's preferences. Existence of multiplicity of public agencies gives individual citizens their necessary choice. An individual knows his or her self-interest and would maximise while choosing.
- g) It applies economic logic to the problems of public services distribution.
- h) More competition in the delivery of public services. It introduces into public administration a bid to make it more efficient and responsive.
- i) Privatisation or contracting out to reduce wastage.

The public choice school thus questions the hegemony of bureaucracy and hierarchical administration. Bureaucracy has thus to be pruned by downsizing government and passing on many of the functions of government to the private sector. Those advocating the introduction of market mechanisms in the public domain, build citizen power through pluralisation of public services. The individual user is enabled to exercise choice between competing service providers. Under this model, inefficiency is punished and quality rewarded through power of the individuals to take their business elsewhere.

By breaking the monopoly of the monolithic state as the sole provider and by introducing choice and participation, the public choice school (the market model) seeks to redefine power equations between the state and the citizen.

Under the impact of the views of the public choice theory it is observed that in the last decade of the 20th century, the private sector has expanded, the state sector has shrunk both in direct administration as well as through privatisation of public enterprises. Moreover, there has been widespread adoption of management precepts and practices of business firms for use in the public sector. Along with this, there has been an increase in contracting out of services to private providers as well as outsourcing by government enterprises from private firms. The whole NPM approach and viewpoint is said to have originated from the public choice theory.

## Critical Evaluation

Criticisms against this approach to empowerment are numerous and rather too well-known. Some of them are:

- a) It may develop an elite bias in the provision of public services as market is out of the reach of the poor.
- b) In the public service context 'choice' is more apparent than real: what does one do 'when' there is nowhere, else to go to? How can for instance, one change one's, electricity supplier? Choice is precluded from services provided by monopolies.
- c) Public interest and the welfare state are rejected by the public choice writers, yet human development in history has been toward those concepts.
- d) The ideas of communitarianism and people's welfare have not vanished from our societies; rather ideals of healthy collective life in the global village are gaining in acceptance.

To conclude, with Herbert Simon, 'The major motivational premise of public choice, *individual self interest* is false.' Human beings make most of their decisions, not in,

[T]erms of individual self-interest, but in terms of the perceived interests of the groups, families, organisations, ethnic groups and national states with which they identify and to whom they are loyal. Critics of public choice theory have often viewed public choice theory as a handmaiden, of New Right ideology, and it is seen as advocating untrammelled markets, minimal governments and drastically cut bureaucracies. Public Administration - today stands at the crossroads of public choice v theory, pluralism, corporatism and elitism.

## CONCLUSION

Public choice theory is directed toward the study of politics based on economic principles. The problem is that until this theory came along, universities did not teach the way in which politics actually functions but, instead, taught the way it should work ideally. This practice of teaching *what should be* (normative theory) rather than *what is* (positive theory) is fairly common at universities and continues to this day at most universities in politics as well as other disciplines. Fortunately, if we look carefully, we can find some universities that teach facts about politics, to the best of our abilities to understand it, and that discipline is called public choice. I should point out that public choice is actually more general than politics.

## ORGANISATIONAL EFFECTIVENESS

Organisations are required for the satisfaction of the needs of human beings. The satisfaction is directly dependent on the effectiveness of organisation. Thus, the understanding of organisational effectiveness is

important for the whole society. Secondly, organisational effectiveness is essential to know the achievements of organisations.

## The Concept of Organisational Effectiveness

To denote organisational effectiveness, various terms such as, efficiency, productivity, profitability, organisational growth, organisational output, etc. are often interchangeably used. The vagueness in the various terms is there due to inconsistency in the conceptual aspect of organisational effectiveness.

Effectiveness depends upon the achievement of goals within the limited resources used by the organisation, while efficiency deals with the process by which the organisation maximises its objectives with minimum use of resources. Thus, organisation can be effective without being efficient. The concept of organisational effectiveness is generally used for goal attainment. The goal approach defines effectiveness as profit-maximisation; providing an efficient service, high productivity or 'good employee morale'. One scholar has included in his list such items as quality, productivity, readiness, efficiency, profit or return utilisation of environment, stability, turnover, or retention, accidents, morale, motivation, satisfaction, internalisation of organisational goals, conflict cohesion, flexibility adaptation and evaluation by external entities.

Katz and Kahan point out three dimensions of behavioural patterns leading to organisational effectiveness: (a) The individual must join and remain in the organisation, (b) they must perform their roles dependably, and (c) they must involve themselves in innovative and cooperative efforts falling beyond the domain of their roles but required to accomplish organisational goals. These behavioural patterns are likely to be caused in differential amounts by four types of motivational factors of varying strengths, legal compliance, instrumental satisfaction, self-expression and indoctrination of organisational objectives.<sup>42</sup> In wider sense, organisational effectiveness relates to the

maximisation of return to the organisation by all means. Maximisation by economic and technical measures relates to efficiency whereas maximisation by non-economic or political measures enhances effectiveness without adding to efficiency ...<sup>43</sup>

The evaluation of organisational effectiveness is a difficult task. Two models have been suggested for this purpose. First is the 'goal model' and second the 'systems theory'. According to goal approach, organisational effectiveness should be judged in terms of goals or outputs. But this approach has several weak points, for example, it does not have scope for allocation of resources by managers in non-productive activities such as recruitment of employees. Further, relating to service organisations like the police, the criteria of production, output to judge effectiveness, is not appropriate. The second is systems approach. In this approach the organisation is taken as one element out of number of elements which interact with each other. The organisation takes resources (inputs) from the broader system (the environment), processes these resources, and then returns them in the form of output to the environment. An organisation will not exist if it fails to contribute to the larger system being ineffective. Thus, this approach has two key elements: First, the survival of the organisation will depend upon its ability to adapt to the demands of its environment. Second, in order to meet these demands, the process of input-conversion and process-output needs to be the focus of managerial attention.

The effectiveness of an organisation cannot be evaluated by the static measures of output, but there is also a need to take into account several other points including the process by which an organisation solves its problems. Thus, to measure organisational effectiveness, multiple criteria are required.

## REFERENCES

1. S. R. Maheshwari, 1994, *Administrative Theories*, New Delhi: Allied Publishers, p. 55.
2. V. Bashkar Rao, in D. Prasad, V. S. Prasad and Satyanarayan (eds), 1994, *Administrative Thinkers*, New Delhi: Sterling Publishers, p. 65.
3. S. R. Maheshwari, *op. cit.*, p. 55.
4. F. A. Nigro and L. G. Nigro, 1984, *Modern Public Administration*, (6th edition) New York: Harper and Row, p. 144.
5. *Ibid.*, p. 149.
6. V. Bashkar Rao, *op. cit.*, p. 68.
7. M. J. Mathew, 1995, *Organisation Theory and Behaviour*, Jaipur: R. B. S.A. Jaipur, p. 63.
8. V. Bashkar Rao, *op. cit.*, pp. 72–74.
9. Brian R. Fray, 1993, *Mastering Public Administration*, New Jersey: Chatham House Publishers, p.30.
10. Andrew Dunsire, *Administration: The Word and the Science*, London: Martin Robertson, p. 80.
11. Nicos P. Mouzelis, 1975, *Organisation and Bureaucracy*, Chicago: Aldine Publishing Company, p. 71.
12. The word 'Domination' as used by Weber stands for 'Authority'.
13. Mohit Bhattacharya, 1991, *Public Administration*, Kolkata: World Press, pp. 62–63.
14. M. Albrow, 1970, *Bureaucracy*, London: Pall Mall Press, pp. 44–45.
15. C. Lakshmana and A. V. Satyanarayana Rao, quoted in Prasad and others (eds), 1993, *Administrative Thinkers*, New Delhi: Sterling Publishers.
16. Robert, K. Merton, Alisa P. Gray, Barbara Hockey and Hanan C. Selvin (eds), 1952, *Reader in Bureaucracy*, New York: The Free Press, p. 361.
17. Talcott Parsons and A. M. Handerson, 1947, *The Theory of Social and Economic Organisation*, Translation of Weber's Work ..
18. James C. March and Herbert A. Simon, 1963, *Organisations*, New York: John Wiley and Sons.
19. L. M. Prasad, 1996, *Organisational Behaviour*, New Delhi: S. Chand & Co., p. 356.
20. D. Prasad, V. S. Prasad, and Satyanarayan (eds), 1994, *Administrative Thinkers*, New Delhi: Sterling, pp. 52–53.
21. Stephen P. Robbins , 1986, *The Administrative Process*, New Delhi: Prentice Hall of India, p. 40.
22. Luther Gulick, 1937, 'Notes on the Theory of Organisation', in Gulick and Urwick (eds), *Paper on the Science of Administration*, New York: Institute of Public Administration.
23. Daniel A. Waren, 1972, *The Evolution of Management Thought*, New York: Ronald Press Co., pp. 357–58.
24. See, for detail, L. M. Prasad, *op.cit.*, pp. 358–60.
25. Herbert A. Simon, 1976, *Administrative Behaviour*, New York: The Free Press, p. 20.
26. March and Simon, 1965, *Organisation*, New York: Wiley, p. 252.
27. M. J. Mathew, 1963, *Organisations Theory and Behaviour*, Jaipur: R. B. S. A., p. 67.
28. R. Merton, 1949, *Social Theory and Social Structure*, New York: The Free Press, p. 149.
29. L. M. Prasad, 1996, *Organisational Behaviour*, New Delhi: Sultan Chand and Co., p. 363.
30. A. Avasthi and S. R. Maheshwari, 1991, *Public Administration*, 17th edition, Agra: L. N. Agarwal, p. 60.
31. Mohit Bhattacharya, 1991, *Public Administration — Structure, Process and Behaviour*, 2nd edition, Kolkata: World Press, p. 79.
32. R. A. Sharma, 1995, *Organisational Theory and Behaviour*, 2nd edition, New Delhi: McGraw-Hill, p. 135.
33. A. Avasthi and S. R. Maheshwari, *op. cit.*, p. 61.
34. Keith Davis, 1957, *Human Relations in Business*, New York: McGraw-Hill, p. 12.
35. F. J. Roethlisberger, 1956, *Management and Morale*, Cambridge (UK): Harvard University Press, pp. 8–9.
36. S. L. Goel, *Advanced Public Administration*, New Delhi: Sterling, pp. 111–12.
37. Peter F. Drucker, 1961, *The Practice of Management*, London: Mercury Books, pp. 272–73.

38. See for details Chapter V of, S. P. Verma, 1975, *Modern Political Theory*, Delhi: Vikas, pp. 153–191.
39. *Ibid.*, p. 160
40. *Ibid.*, p. 161.
41. Felix A. Nigro and Lloyd G. Nigro, 1984, *Modern Public Administration*, 6th edition, New York: Harper and Row Publishers, p. 163.
42. See for details, D. Katz and R. L. Kahan, 1970, *The Social Psychology of Organisation*, New Delhi: Wiley Eastern Pvt. Ltd., pp. 336–89.
43. *Ibid.*, p. 170.

# 3

## Principles of Organisation

---

Every organisation has certain objectives and goals to achieve and is structured on the basis of certain principles with a view to achieving these objectives. These principles are, therefore, known as principles of organisation, which are generally followed by every organisation for the achievement of its ends. According to Avery Raube, certain principles of a good organisation are as follows:

- (a) There must be clear lines of authority running from the top to the bottom of the organisation. This is known as the 'hierarchy' or the 'scalar principle'.
- (b) No one in the organisation should report to more than one line supervisor. Every one in the organisation should know to whom they report, and who report to them. This is the principle of 'Unity of Command.'
- (c) The authority and responsibility of each supervisor should be clearly defined in writing. This enables the supervisor to know what is expected of them and the limits of their authority.
- (d) Responsibility should always be coupled with corresponding responsibility.
- (e) Accountability of higher authority for the acts of its subordinates is absolute. It means that executives cannot disassociate themselves from the acts of their subordinates. They are as responsible as their subordinates, for what they do, and/or what they neglect to do.
- (f) Authority should be delegated as far down the line as possible. The current trend toward decentralisation explains this principle. This enables members of top corporate management to devote more time to overall thinking and planning.
- (g) The number of levels of authority should be kept at a minimum. The greater the number of levels, the longer is the chain of command, and the more time it takes for instructions to travel down and for information to travel up and down within the organisation.



(h) The work of every person in the organisation should be confined as far as possible to the performance of a single leading function. This is the principle of specialisation and is concerned with delegation of authority horizontally.

(i) Whenever possible, line functions should be separated from staff functions, and adequate emphasis should be placed on important staff activities.

(j) There is a limit to the number of positions that can be coordinated by a single executive. This is the principle of span of control.

(k) The organisation should be flexible, so that it can be adjusted to changing conditions.

The organisation should be kept as simple as possible. Some of these principles discussed here, such as hierarchy/scalar process, span of control and unity of command may be discussed in details as follows:

## THE HIERARCHY OR THE SCALAR PROCESS

The literal meaning of hierarchy is the rule or control of the higher over the lower. In every large scale organisation there are a few who command and there are others who are commanded. This results in the creation of superior–subordinate relationships through a number of levels of responsibility reaching from the top down to the bottom of an organisation. A pyramidal type of structure is thus built up which Mooney and Reilet call the ‘scalar process’.

In an organisation, scalar means the grading of duties according to degrees of authority and corresponding responsibility. According to Mooney this scale or the scalar chain, as he calls it, is a universal phenomena; wherever we find an organisation even of two people related as superior and subordinate we have the scalar principle.<sup>1</sup>

The basic features of a hierarchical structure are as following:

(a) A person will have only one immediate superior from whom he or she will receive orders; (b) A person will not receive orders from a person of lower status; (c) No intermediate level shall be skipped over in the dealings of the top with those at the lower level or vice-versa; (d) A person who is given responsibility for a task will have authority commensurate with his or her responsibility.

From the aforementioned features, it follows that in the scalar system, authority, command and control descend from the top down to the bottom step by step. For example, the secretary of department will deal with the joint secretary who, in turn, shall deal with the deputy secretary, who further shall deal with the under-secretary. The under-secretary shall further deal with the section officer who, in turn, shall deal with assistants, clerks, etc. Similarly, the line of upward communication shall be exactly the same when section officer deals with his higher officers.

## Merits of the Scalar Principle

The scalar system is indispensable for every large-scale organisation. Some of its merits are as following:

(a) It binds together the various units and divisions of an organisation into an integrated whole. (b) It enables us to fix up responsibility at each level and at each post in an organisation. (c) It serves as a channel of communication, both upwards and downwards. It makes clear to every official with whom they are to

deal with. (d) It simplifies the procedure of file movement. (e) It helps decentralise decision-making and prevents congestion of business at the top. In the words of L. D. White:

It is the channel of command, of communication, downward and upward, along which flow information, advice, specific instructions, warning and commendations. It is the channel for the delegation of authority. It establishes a sequence of related centres for decision-making and thus prevents congestion in the despatch of business by closing out much of it in lower levels.<sup>2</sup>

In the bureaucratic model of Max Weber also, the organisation of offices follows the principle of hierarchy; that is, 'each lower office is under the control and supervision of a higher one' and 'the whole administrative staff under the supreme authority' are organised in a clearly defined hierarchy of offices.<sup>3</sup>

## Demerits of Scalar System

The main demerit of the scalar system is that it makes administrative decision-making a dilatory process. A file must pass through proper channels howsoever urgent the matter may be and howsoever ignorant intermediate officials may be about that matter. In order to do away with this defect, the Government of India started 'file-jumping experiment' to skip over the intermediate levels in the hierarchy and to make files reach directly to the decision-making authority. Another major demerit is that the scalar system does not contribute to the repositioning of mutual trust, either in inter-organisational relations, or in inter-personal relations in the administration. This might even promote a caste system in the bureaucratic set-up.<sup>4</sup> In those agencies where a large number of specialists is appointed, the principle of hierarchy will mar the initiative of the specialists and the generalists—specialists relationship will tend to become conflictual. Warren Bennis argues that in the future, organisations will be 'task forces' constituted around problems to be solved. In such organisations, 'People will be differentiated not vertically, according to rank and role, but flexibly and functionally according to skill and professional training'.<sup>5</sup>

To conclude, it may be observed that in practice an organisation does not work on the formal principle of hierarchy. In the words of Nigro:

An organisation is more than its structure and its official relationships as spelled out in its organisation charts and manuals...Organisation is also a social system in which its members develop patterns of behaviour which actually may deviate from official directives. This is called the informal organisation, and an appreciation of its role is indispensable to the understanding of the functioning of any agency.<sup>6</sup>

## UNITY OF COMMAND

Unity of command means that every employee shall have only one person as their 'boss' and shall receive orders only from the boss. If they get orders from more than one officer, it may become difficult, nay impossible, for them to discharge their duties. They will be put in an awkward position if they receive conflicting orders from different superiors. The superiors too can be put to hardship because the subordinates can easily play one superior against the other. All this may result in confusion and chaos in administration. Responsibility can be fixed only if we know where the authority rests, and this is not possible if authority stands divided. On theoretical grounds, the principle of unity of command

seems unassailable but, in practice, we find significant exceptions to this principle. It is usually seen in individual employee, particularly in the professional or technical side. For example, administratively, doctors employed in a local body are under the administrative control of the chairman of the local body, but professionally, they are under the state director of public health. Similar is the case in regard to all organisations employing technical personnel. In our country where all the top posts are held by non-technical administrators belonging to administrative services, howsoever technical nature of the departments under them, the duality of command or control is clearly visible. F. W. Taylor, father of the scientific management movement, rejected the principle of unity of command and substituted it by functional direction and supervision. He believed that each individual worker would benefit and their efficiency shall increase if they get specialised and expert supervision in respect of each function that they perform. According to his scheme of things, he recommended eight foremen or supervisors for each individual worker, whom he called (a) the gang boss, (b) the speed boss (c) the inspector, (d) the repair boss, (e) the order of work and route clerk, (f) the instruction card clerk, (g) the time and cost clerk, and (h) the shop disciplinarian. The first four supervisors would personally help the man in their work, each supervisor helping in his own particular line or function, and the other four supervisors would operate from the administrative block issuing orders and instructions in writing. Taylor advocated this setup for industrial units but it has made its way in public administration also. This is on account of the fact that governments of today are taking on more and more economic and technical functions. Technical supervision by different technical experts is growing side by side with the general administrative supervision. It should not, however, be construed that the principle of unity of command is not operative in public administration. The principle of unity of command is not violated if an employee receives orders from two supervisors in respect of different matters or aspects of matters under their charge. It is broken only if they get orders from two different sources regarding one and the same matter. Even in the technical departments, the last word lies with the administrative chief who has the power and authority to overrule technical experts.

## **AUTHORITY AND RESPONSIBILITY**

Authority is defined by Fayol as 'the right to give orders and the power to exact obedience'. In the view of Allen authority is 'the sum of the powers and rights entrusted to make possible the performance of the work delegated'.<sup>6</sup> But authority cannot be understood simply in terms of powers and rights. The concept of acceptance and obedience related to authority is as important as power and right. Authority unless accepted and obeyed by others becomes meaningless. The primary element of authority is that it should be acceptable to those on which it is exercised. The obedience of authority is thus a must for the smooth functioning of an organisation. But the problem arises in a situation where commands conflict with the conscience of an individual. The conservative philosophers argue that even when the act prescribed by an authority is an evil one, it is better to carry out the act than to wrench at the structure of authority. On the other hand, the humanists believe that moral judgements of the individual must override authority when the two are in conflict. In practice, there are many factors which influence an individual's response to authority, and thus, the response may vary from one situation to another. Much depends upon the style and vigour of the persons who exercise authority in which they can generate the willingness of the other to obey and accept their commands for the fulfilment of the organisational objectives.

## Sources of Authority

(a) The primary source of authority is the constitution or the law of the country, which confers on some people supreme authority to take decisions and exercise command and powers over their subordinates. Therefore, all the persons who are subject to authority are bound by law to obey the commands of his superior, and non-obedience of authority may even be penalised.

(b) Another source of authority is the status of the person. In an organisational structure based on hierarchy, the persons at the top get authority due to their higher status or position in the whole setup. Their position compels others to obey their commands and orders.

(c) Third, the most important source of authority is the informal authority which is conferred on a person by the human beings working in the organisation. Here it is not the law or the status but human relations that matter.

## Kinds of Authority

The following types of authority exist within an organisation:

(a) Line authority is the basic and fundamental authority in an organisation, the ultimate authority to command, act or decide in matters affecting others.

(b) Staff authority is the authority exercised by advisory and consultative agencies, called the staff agencies. This authority is limited in scope because it does not include the right to command. Staff authority is subordinate to line authority, and its purpose is to facilitate the activities being directed and controlled by the line organisations.

(c) Functional authority refers to the authority exercised by specialists in an organisation. They exercise limited rights to command in matters pertaining to their function or the specialised area under them.

(d) Committees and authority: The committees appointed for certain special purposes such as investigating plan, or carrying out research, are delegated some limited form of authority. They have no power of decision and generally do not require command authority.

The type of authority to be selected by the organising executive depends upon different situations and problems of particular organisations. Generally, a combination of different types is the best choice for the management.

## Authority and Responsibility

The concept of authority and responsibility are closely related to each other. For the efficient working of an organisation, authority must be commensurate with responsibility. Persons in position of authority must have *sufficient* authority to fulfil their responsibilities. Equal authority and responsibility is a time honoured principle. It means that if managers are charged with the responsibility of accomplishing a given task, they must be given the commensurate authority to carry it out. According to Urwick,

[T]o hold a group or individual accountable for activities of any kind without assigning to him the necessary authority to discharge the responsibility is manifestly both unsatisfactory and inequitable. It is, therefore, of great importance to smooth working that at all levels authority and responsibility should be coterminous and co-equal.<sup>7</sup>

## COORDINATION

It is rightly said that a battle may be lost, how much strong the forces may be, if there is no coordination among the various wings, divisions and units of the army. As in battle, so in administration. No organisation, howsoever competent its staff may be, can achieve the desired objective without coordination. It is the first principle of management to ensure that the organisation works well, that no part of it repeats what the other part does, that no employee works at cross-purposes and that there is no conflict among various units *inter-se*. This is technically called 'coordination'.

### Definition of Coordination

Coordination has both negative and positive connotations. Negatively, coordination means the removal of conflicts and overlapping in administration, positively, it means to secure cooperation and teamwork among the numerous employees of an organisation.

Newman defines coordination as 'the orderly synchronisation of efforts to provide the proper amount, timing and directing of execution resulting in harmonious and unified actions to a stated objective'. According to Terry, 'Coordination is the adjustment of the parts to each other and of the movement and operation of parts in time so that each can make its maximum contribution to the product of the whole'.<sup>7</sup> In the words of L. D. White, 'Coordination is a process causing disjunct elements to a concentration on a complex of forces and influence which cause the mutually independent elements to act together.' Seckler Hudson views coordination as 'the all important duty of inter-relating the parts of the work'.<sup>8</sup> According to Mooney, 'Coordination is the first principle of organisation and includes within itself all other principles which are subordinate to it and through which it operates.'

In sum, coordination means making all parts of an organisation work harmoniously, without conflicts and without cross-purposes, to achieve the defined goal. It may however, be noted that coordination is a means and not an end in itself. In the words of Newman: 'It is not a separate activity but a condition that should permeate all phases of administration.'

### Need for Coordination

Coordination is needed not only to secure the work and cooperation but also to prevent conflicts that may arise in the working of an organisation due to: (a) ignorance of the employees or units of each other's activities, (b) a tendency among persons in charge of particular activities to regard their own deal as all-important, unmindful of the needs of others and make encroachments on the latter's sphere of activities, and (c) a growing tendency towards empire-building or greed for power among different units of an organisation.

## Types of Coordination

Coordination can be of two types: (a) Internal or functional, which is concerned with the coordination of the activities of individuals working in an organisation and (b) external or structural, which is concerned with coordinating the activities of different organisational units. Both types of coordination are effected horizontally and perpendicularly. Horizontally, coordination establishes inter-relation between one section and another, between one branch and another, between one division and another, and between one department and another. Perpendicularly, coordination is established between employees and their officers, between officers and their next superior and so on, and between one section and a branch, between a branch and a division and so on.

## Methods of Coordination

(a) Coordination at the organisational levels can be achieved through several devices such as: (i) the establishment of a special unit for coordination work commonly known as 'coordination' or 'establishment' section or unit, (ii) through standardisation of procedures and methods, (iii) through departmental meetings and conferences, and (iv) through organisation and methods staff.

(b) Coordination at the inter-organisational levels can be achieved through such devices as the inter-departmental committees; meetings and conferences among the officials of different departments and by the appointment of centralised staff; auxiliary and financial agencies like the joint committees of the inter-related departments appointed from time to time; the public works department; the estate office, the directorate general of supplies and disposal, the Union Public Service Commission, the Comptroller and Auditor-General of India, the ministry of finance and its various departments, etc.

(c) Coordination at the national level or at inter-state level in India is achieved through the Planning Commission, the National Development Council, conferences and meetings, zonal councils, inter-state councils, etc. The cabinet secretariat, the cabinet headed by the prime minister and various cabinet committees, effect major coordination between the centre and the states. The conferences of governors, chief ministers and ministers of different departments are common bodies that help coordination.

(d) Besides the above bodies, certain other institutions and boards like the University Grants Commission, the inter-university boards, Association of Indian Universities, the Indian Historical Records Commission, etc., are also doing coordination work.

## How to Achieve Effective Coordination

Dalton McFarland suggests four ways of achieving effective coordination:

- (a) Clarifying authority and responsibility: this will reduce overlapping and duplication of work.
- (b) Checking and observation: Records and reports help the executive to detect the spots where inter-relations of the units are lacking.
- (c) Facilitating effective communication: Effective communication processes committees and group decision-making techniques help in clarifying authority and observing the existing coordination.

(iv) Coordination through leadership: Top administration must assert its leadership role without which coordination may not occur.<sup>9</sup>

The degree of effectiveness of coordination can be judged by the following criteria:

(a) It is not forced by autocratic direction, but is fostered by leaders who understand the value of participative management.

(b) It is timely and extends in a balanced fashion to all parts of the organisation, and operates horizontally as well as vertically. Mary Parker Follett suggests: (i) It must be a continuous process; (ii) it must be direct between the persons immediately concerned; (iii) it must start at the outset of the activity.

## Hindrances to Effective Coordination

The vast and expanding activities of the government and the lack of delegation on the part of high officials in administration make effective coordination difficult. According to Gulick, some of the difficulties arise from: (a) The uncertainty of the future as to the behaviour of individuals and of people, (b) the lack of knowledge, experience, wisdom and character among leaders and their confused and conflicting ideas and objectives, (c) the lack of administrative skill and techniques, (d) the vast number of variables involved and the incompleteness of human knowledge, particularly with regard to man and life, and (e) the lack of orderly methods of developing, considering, perfecting and adopting new ideas and programmes.<sup>10</sup> To these are added four more by Seckler Hudson: (a) The 'size and complexity, (b) personalities and political factors, (c) the lack of leaders with wisdom and knowledge pertaining to public administration, and (d) the accelerated expansion of public administration to international dimensions. According to McFarland, problems of coordination in a business organisation stem from two main sources. First is the number and complexity of functions and activities delegated to different participating individuals. The second problem is the increasing use of specialisation of effort in building an organisation's structure. Problems of coordination of different character also arise out of the perverseness of human beings in organisational settings. In fact, it is the human aspect of coordination which poses the most serious difficulties, for, when the elements to be coordinated are human, many variables in performance emerge. Whatever hindrances may occur, suitable measures for their removal have to be sought in the overall interest of the effective working of an organisation.

## SPAN OF CONTROL

By span of control, we mean the number of subordinates which an officer can effectively supervise. The problem of span of control is a natural outflow of the principle of scalar system. Scalar organisation involves a number of tiers or steps one above the other each step being headed by a single person. Now the question that arises is how many persons should work under one person's control and supervision at any particular level. This problem of fixing the number of subordinates is a problem of span of control and is related to the psychological problem of span of attention. It is well known that no one can attend to more than a certain number of things or a certain number of persons. In other words, we can say that our span of attention is limited, partly because of the limits of knowledge and partly due to the limits of time and energy. There are divergent opinions of the writers on administration about the exact limit of the span of control. Ian Hamilton fixed the limit at 3 to 6; Urwick at 5 to 6 at higher levels and 8 to 12 at lower levels.

Graicunas felt that while the number of individual subordinates increases by arithmetical progression, the resultant increase in network of relationships is by geometrical progression and this increase complicates the problem of span of control. According to Sexton, the decisions regarding an effective ratio of subordinates to supervisor depends upon such factors as bottlenecking, the psychological impact of close supervision, communication patterns, automation and extent of interdependence. However, the following factors are determinants of the degree of span of control:

- (a) Nature of work: Where the nature of work is of a routine, repetitive, measurable and homogenous character, the span of control is more than when the work is of heterogeneous character. For example, it is easier to supervise a large number of typists because of the measurable nature in comparison to when the nature of work more intellectual..
- (b) Leadership: The span of control increases or decreases depending upon the qualities of the supervisors. If they are intelligent, shrewd and tactful, they can supervise a larger group of persons but if they are weak and foppish, they may not be in a position to supervise even a few persons effectively. It may also be pointed out that if subordinates are untrained and incompetent, they are liable to make mistakes and hence need closer supervision.
- (c) Age of agency: Supervision is easier and the span of control increases if the organisation has been long in existence. In old established organisations precedents take firm roots and the work goes on smoothly. But in newer organisation, new problems constantly arrive which very often demand reference to the superiors.
- (d) Location of the organisational units: Supervision becomes easier when the subordinates work under the same roof where the supervisor is based. If they work in different rooms or at a distance from the supervisor, supervision becomes difficult. Thus, it is clear that the span of control is determined by various factors.

## SUPERVISION

### Meaning and Definitions

The term 'supervision' means 'to oversee' or 'superintend'. It has been defined as the authoritative direction and superintending of the work of others. However, some writers feel that this is too authoritarian a definition of supervision. Supervision is something more than the use of authority; it has educative aspect too. Williamson defines supervision

as a process by which workers are helped by a designated staff member to learn according to their needs, to make the best use of their knowledge and skill and to improve their abilities so that they do their jobs more effectively and with increasing satisfaction to themselves and the agency. She has more a humanistic rather than technical approach to the meaning of supervision.

Supervision is one of the most important tasks of management. It is inherent in the hierarchical structure of an organisation. The scalar system provides that each level in the hierarchical organisation is subject to the supervision of the one immediately above it and that employees are subject to control by their immediate superior. It is this top-to-bottom chain of supervision which gives coherence to an organisation.



Supervision is to be distinguished from inspection and investigation though the latter are the tools of the former. Inspection is to check compliance with instructions and investigation is to deter or detect wrong doing. Hence, both are negative in character. But supervision is more positive in character; it is consultative and advisory in nature. In the words of Halsey, it is

selecting the right person for each job, arousing in each person an interest in his work and teaching him how to do it; measuring and rating performance to be sure that teaching has been fully effective, administering correction where this is found necessary and transferring to more suitable work or dismissing those for whom this proves ineffective; commanding whenever praise is merited and rewarding for good work; and, finally, fitting each person harmoniously into the working group—all done fairly, patiently and tactfully so that each person is caused to do his work skilfully, accurately, intelligently, enthusiastically, and completely.

## Functions of a Supervisor

According to H. Nissen, a supervisor is to perform the following duties:

- (a) To understand the duties and responsibilities of his own position; (b) to plan the execution of work; (c) to divide work among the subordinates and to direct and assist them in doing it; (d) to improve work methods and procedures; (e) to improve his or her own knowledge as a technical expert and leader; (f) to train the subordinates; (g) to evaluate the performance of the employees; (h) to correct mistakes, solve problems of employees, and develop discipline among them; (i) to keep subordinates informed about policies and procedures of the organisation and about the changes made therein; (j) to cooperate with colleagues and seek their advice and assistance whenever needed; and (k) to deal with employees, suggestions and complaints.

## Methods or Techniques of Supervision

Millett suggests the following six methods or techniques of supervision:

- (a) *Prior approval*: Prior approval or advance review is a very common method of control by the headquarters over field establishments. It means that before taking any initiative outside the framework of policy, the field establishments must get prior approval of the headquarters. In India, prior approval of the Ministry of Finance, besides the approval of the departmental heads, is needed if a project has financial implications. This arrangement of prior approval benefits both the subordinate agencies in so far as they are in a position to get guidance from the headquarters and the headquarters in so far as it is able to exercise detailed control over the progress of projects. This also affords scope for removing misunderstandings and rectifying errors well in time.

This approval process has, however, some disadvantages: It is time consuming, results in a mass of paperwork in the central office, interposes delays, creates diffidence on the part of operating heads and may sometimes lead to personality clashes between the operating heads and top management.

- (b) *Service standards*: The top management can lay down certain standards and fix norms for performance and targets for the operating agencies to achieve. This will not only provide guide-points to the

operating agencies but shall also become a means for determining how effectively they have been doing the jobs assigned to them. Service standards are necessary in government in order to ensure that work is done promptly and properly. But standards fixed must be fair, exact and concrete and must be judged objectively. In certain intellectual type of activities, however, these standards are somewhat difficult to determine because of the immeasurable nature of work.

(c) *Work budget*: Budget allotments are a very powerful means of exercising supervision. Budget allotments fix the magnitude of the work to be done in a given time and the operating agencies have to work within these allotments. The top management's control becomes effective as these operating agencies are not given a free hand to spend money as and when they like.

(d) *Approval of personnel*: No government agency is given complete freedom in the matter of recruitment of personnel except for recruitment of insignificant subordinate staff. The central personnel agency can exercise control over subordinate operating units by providing for prior approval of certain appointments made by them.

(e) *Reports*: A standard practice in supervision is to require operating units to submit periodic or ad hoc reports about their activities to the central office. Such reports provide information on the basis of which the central office can evaluate the performance of the operating units. In the words of Millett, 'These reports may be narrative or statistical; they may embrace the broad scope of all major activities, or they may be confined to a few essentials; they may emphasise achievement or deficiencies in performance.' It may, however, be mentioned that a report defeats its purpose if it gets unduly lengthy. Hence, voluminous reports should be avoided.

(f) *Inspection*: Inspection is one of the accepted techniques of supervision. Its purpose is to see whether the field agencies are doing work according to the established rules and procedures and whether their performance is up to the expectation of the central office. It is not a fault-finding process rather it helps acquaint top management with the operating problems facing subordinate levels of management. Inspections are generally conducted by (i) the superiors of the work of subordinates; (ii) by the headquarters inspection staff specially deputed for the purpose of inspection, and (iii) by a separate outside inspection agency or department.

## Qualities of Good Supervisors

According to J. M. Pfiffner, a good supervisor should possess the following qualities: (a) command of job content—expert knowledge of the work to be supervised; (b) personal qualification—cooperative spirit, evenness of temper, honesty, ability to attract, to motivate, to enthuse and unite others; (c) communicating ability—ability to communicate with the workers and to make them understand management's point of view; (d) general outlook—love for the job and source of inspiration to others; (e) courage and fortitude—ability to undertake responsibility and act decisively; (f) ethical and moral considerations—freedom from vices having social disapproval; (g) administrative capability—capacity to organise, coordinate and direct; (h) curiosity and intellectual ability—mental alertness and flexibility, responsiveness to new ideas and practices.

In the words of Halsey, qualities of a good supervisor shall be: (a) thoroughness: they should collect all the detailed information relevant to the issue; (b) fairness: they must be fair, considerate and truthful towards workers; (c) initiative: he must combine in himself courage, self-confidence and decisiveness; (d) tact: the ability to win the loyalty and support of others; (e) enthusiasm: an intense and eager interest in

and devotion to a cause, a pursuit, or an ideal; (f) emotional control: canalisation of emotions in the right direction.

## Importance of Human Characteristics of Supervision

The quality and performance of supervision in an administrative agency depend to a large extent upon the personal relations of supervisors to employees. The days of authoritarian leadership are gone and the term 'command' has to be replaced by the term 'persuasion'. Only if employees are generally satisfied with the type of supervision which they get in an organisation will they put forth their best efforts. Pfiffner has rightly summarised the importance of human characteristics of supervision in these words,

The pattern of leadership desirable in supervisory position is based upon behaviour that emphasises cooperation, participation, consultation, and satisfaction for the egos of the rank and file, even though the strong leader may have to subdue his natural desire for self-assertion and self-display.

He further writes,

The supervisor on the lower levels secures cooperation and production by de-emphasizing his own ego, stimulating group participation, and encouraging the maximum satisfaction of individual egos that is consistent with coordination.

The Hawthorne experiments (Elton Mayo group) and Michigan Studies have proved that employees can be most effectively motivated by people-centred and democratic leadership aided by favourable institutional environment.

But researches made at Ohio State University have contradicted the Michigan Studies generalisations. They have proved that extreme 'soft' type of supervision does not pay; rather it adversely affects the morale of employees. Of course, they do not suggest a return to pre-Hawthorne production-oriented supervision but nor do they outrightly advocate 'employee-oriented' leadership. In fact, they advocate that a supervisor should be both production-oriented as well as employee-oriented. In the words of Seashore, 'If a leader abdicates his interest in and responsibility for production it has an adverse effect on both productivity and morale. A moderate amount of emphasis on production is required to avoid both low production and low morale.'

## Training of Supervisors

Supervision is no doubt a technical skill which can be acquired and developed by proper training. In the words of Halsey,

It has been demonstrated time and again that almost any person of normal intelligence and sincere desire to be of service to people, can acquire considerable skill in the art of supervising people, if he will study its principles and methods and apply them thoughtfully conscientiously, and persistently.

The personality of the successful supervisor of people is made up of a number of qualities and these qualities are made effective through the use of certain definite techniques. During World War II, large scale training of supervisors was undertaken in the USA in the three essentials of supervisor's work through the so-called 'J' programme consisting of job instruction training, job methods training and job relations

training. Among the few training programmes, 'work simplification' is getting very popular both in private and business organisations.

Training departments which are a part of the personnel department of various organisations provide for programmes of supervisory training, and so do some colleges, universities and training institutions.

## CENTRALISATION AND DECENTRALISATION

The other problem that confronts an organisation is whether it should be centralised or decentralised. According to Charlesworth, 'one of the important problems of organisation is to reconcile the administrator's natural desire for complete control, uniformity and certainty with the people's demand that governmental administration'<sup>11</sup>, accommodates itself to local public sentiments. To centralise or to decentralise seems to be dilemma facing the governments today. Centralisation and decentralisation are the inter-related aspects of organisation.

### Meaning

Centralisation refers to concentration of authority at or near the top. Decentralisation carries quite opposite meaning. It denotes dispersal of authority among a number of individuals or units of an organisation. In the words of L. D. White, 'the process of transfer of administrative authority from a lower to a higher level of government is called "centralisation"; the converse, "decentralisation"'.<sup>12</sup> The essential element in decentralisation is the delegation of decision-making functions.

Centralisation and decentralisation are relative terms. One can hardly think of a system which is either fully centralised or fully decentralised. It may be either more centralised or more decentralised. Thus centralisation or decentralisation may be termed as the tendency of either concentration or dispersal of authority.

White writes that administrative authority, like political authority, may be concentrated or dispersed. Constitution and legislative bodies may distribute power on the basis of two major rules. Much administrative authority may be vested by law or by constitution in the local governing bodies of a governmental system. In this case the administrative system is decentralised. Conversely, relatively, greater administrative power may be vested in the hands of officials of the central government, with a consequent diminution of the authority and discretion of officials in lower governmental levels; the system is then called 'centralised'.<sup>13</sup>

L. D. White further writes: The term 'centralisation' is also used with other meanings. It may refer to the relations between headquarters and field, in any given jurisdiction, as a description of the relative amount of freedom left to field agents or the trends in this relationship.<sup>14</sup>

The difference between the two concepts can be well understood from the following explanation by Fesler:

Whether a given field service leans towards centralisation or towards decentralisation may be discerned from observation of the importance of matters on which field officials have decision making authority, compared to matters wholly retained for headquarters' decisions, the extent of central consultation with field officials on matters that arise and are formally decided at headquarters, and the weight such field opinion carries, the frequency with which field officials must refer matters to headquarters for decision even though they arise at and are partially processed in the field, the number and specificity

of central regulations and orders governing decision-making in the field; the provision for citizens' appeals to headquarters for overruling of field decisions; the degree to which all the agency's field activities within each geographic area are directed by a single field official; and the calibre of field officials. Neither the mere existence of a field service, nor its carrying of a heavy workload, or its employment of nine-tenths of the agency's personnel constitutes evidence of decentralisation.<sup>15</sup>

Centralisation and decentralisation have relative significance. Neither of the two is without merits or demerits.

## **Merits and Demerits of Centralisation and Decentralisation**

The merits and demerits of centralisation and decentralisation have been summed up by Willoughby in the following words:

The advantages of the centralised system are that it provides for a maximum of control; ensures that all the work is performed in the same manner and in accordance with same general policies and principles; and makes more difficult administrative abuses in such matters as the employment and handling of personnel, the purchase and use of supplies etc. The disadvantages may be summed up in the delay in securing action, the increased expense that usually results under this system, the fact that the central office has to act without the knowledge of local conditions possessed by the local units; and lack of flexibility in administration. The advantages and disadvantages of the system of decentralisation are for the most part reverse of those stated for that of centralisation.<sup>16</sup>

## **Merits and Demerits of Centralisation**

### ***Merits***

- (a) Ensures effective control over all units of the organisation.
- (b) Ensures uniformity as all the work is done in the same manner and in accordance with the same general policies and principles.
- (c) Prevents abuse of administrative authority.
- (d) Makes coordination easier.
- (e) Gives priority to national interests over local interests.

### ***Demerits***

- (a) Lacks flexibility of approach.
- (b) Leads to delay in decision-making.
- (c) Prohibits people's participation in decision-making.
- (d) Diminishes the opportunity of the field units as well as field officials to take initiatives.

- (e) Puts too much burden on headquarters.
- (f) Renders it unlikely that decisions taken will be in tune with local conditions and requirements.

De Tocqueville has rightly pointed out:

Indeed I cannot conceive that a nation can live and prosper without a powerful centralisation of government. But I am of opinion that a centralised administration is fit only to enervate the nation in which it exists by incessantly diminishing their local spirit.

## Merits and Demerits of Decentralisation

As already mentioned, it is difficult to conceive of an organisation, the administrative system of which is fully centralised. Decentralisation is inevitable. Its degree may vary from one organisation to another. Decentralisation is in consonance with the principle of democracy at grass roots.

### Merits

The dispersal of authority, functions and responsibility has many merits.

- (a) It lessens the burden of overburdened headquarters and strengthens field agencies and grassroots units.
- (b) It reduces delays, curbs red-tape and encourages quicker action. Quick decisions become possible.
- (c) Decentralisation leads to morale boosting of employees. It increases efficiency.
- (d) Subordinate officials develop a sense of confidence as they take their own decisions and shoulder their own responsibility.
- (e) Decentralisation facilitates experiments by various units.
- (f) Field units can take local conditions and requirements into consideration while arriving at decisions.

According to Charlesworth, 'Decentralisation has a more important justification than mere administrative efficiency. It bears directly upon the development of sense of personal adequacy in the individual citizens. It has spiritual connections.'<sup>17</sup>

### Demerits

- (a) Decentralisation is also not free from dangers. Too much of or excessive decentralisation may lead to anarchy. It makes coordination and integration of administrative operations difficult.
- (b) It is neither possible nor desirable to have complete decentralisation in personnel, budgeting, tax collection, accounting, planning, programming, etc.
- (c) Rapid means of transport and communication do not favour decentralisation.
- (d) Decentralisation may result in lack of proper control over field units or agencies.
- (e) Uniformity in administration is unlikely to be ensured.
- (f) Local interests may take precedence over national interests.

Decentralisation, therefore, can be brought about only within certain limits. There have to be certain safeguards provided for in the administrative system.

Centralisation and decentralisation however, are not principles which can be universally applied at any time and at any place, they have a situational relevance. Decentralisation cannot be effected only for the sake of decentralisation and vice-versa. A single system cannot be adopted in all circumstances. According to Fesler, centralisation or decentralisation of authority within an organisation depends upon various factors. These are the factors of responsibility, administrative factors, functional factors and external factors.<sup>18</sup>

### ***The factor of responsibility***

According to the factor of responsibility, every departmental head is responsible for all the administrative activities of his or her department and as long as the central authority is held responsible for all actions, it is hesitant and even reluctant to cede any authority to its subordinates or field officials. The central authority, in such a situation prefers to direct and control all their activities. The end result is greater centralisation and less decentralisation.

### ***Administrative factors***

Administrative factors also determine the extent of centralisation or decentralisation of authority. Among the administrative factors, mentioned by Fesler, are 'age of the agency, stability of its policies and methods, competence of its field personnel, pressure for speed and economy and administrative sophistication'.

Older agencies are more prone to decentralisation. Stability and competency of field officials is a point in favour of decentralisation. If the policies and methods are not changed every other day, there is no risk involved in decentralising reasonable authority. The need for economy and the pressure for speedy work may necessitate decentralisation. Administrative sophistication is also an important factor influencing decentralisation.

### ***Functional factors***

Decentralisation also depends upon what type of functions the department performs or the variety of functions an agency performs. The technical nature of functions and the need for nationwide uniformity demand centralisation. It is a common experience that certain types of functions such as defence, planning and communication requiring nationwide uniformity tend in the direction of uniformity. On the other hand, if the functions need diversity such as agriculture, forest, etc., then decentralisation is preferred. Moreover, operating decisions can easily be decentralised at the appropriate lowest level. Long back, J. S. Mill recommended the vesting in the local agencies 'not only the execution, but to a great degree the control of details'.

### ***External factors***

Among the external factors may be included the demand for popular participation in programmes. The demand for planning from below is a good example of this factor. Grassroots democracy needs a great degree of decentralisation.

Decentralisation of authority means a greater sense of responsibility and higher morale among field officials. It democratises administration and brings it closer to citizens. But before decentralisation is affected the problem needs to be carefully studied. Certain safeguards are must before decentralisation is opted for. Before divesting itself of authority, functions and responsibility, the central authority must be sure of several things:

- (a) Local officers must report to no more than one central agency.
- (b) Jurisdictional lines must be meticulously drawn.
- (c) Procedures in several field establishments must come up to a common standard, although they need not be uniform.
- (d) The local agency must have a sufficiently flexible physical and psychological structure to permit it to adjust to emergent local conditions.
- (e) The field unit must not make decisions affecting overall policy, although it should be encouraged to make its own decisions to a point approaching that situation.
- (f) A system of ready appeals must be present.
- (g) Suggestions from the field to the centre must be freely channelled.
- (h) Adequate reporting and inspection methods must provide the central authority with full and current knowledge of peripheral operations.

If the central authority feels satisfied that these safeguards have been provided, it is free to decide on the extent of decentralisation it wants to effect.

## DELEGATION

Delegation is defined by Mooney as conferring of specified authority by a higher to a lower authority. It means that delegation is the devolution of authority by superior persons to their agent or subordinate subjects to their supervision and control.

In the words of Millett:

Delegation of authority means more than simply assigning duties to others in more or less detail. The essence of delegation is to confer discretion upon others to use their judgement in meeting specific problems within the framework of their duties. Management leadership must then accept the responsibility for how this discretion is exercised.<sup>19</sup>

### *Need for Delegation*

Delegation helps the chief executive to devote time and energy to more important decisions of the organisation. Effective leadership is made possible only through the process of delegation. In the words of Mooney and Reiley, 'The real leader finds it easy to delegate authority, and is quick to do so whenever he perceives its necessity'<sup>20</sup>. One of the duties of managers is to help their subordinates grow, to train them in the art of sharing responsibility and making decisions which is possible only through delegation. Delegation of authority has, therefore, much educating value. The subordinates develop greater loyalty and a greater identification with the organisation if they are made partners in the exercise of authority. This builds up their morale and gives them the incentive to work hard. Delegation provides the necessary flexibility to the otherwise rigid procedures. Delegation helps to adjust procedures according to the needs of situations. Proper delegation of authority minimises delay, makes service more effective, economical and efficient.



To sum up in the words of White, 'Circumstances of magnitude and volume, however, require some delegation of authority, and the settlement of much business at the point where it arises.'<sup>21</sup>

## Type of Delegation

Delegation in terms of degree of authority delegated may be (a) full or partial, (b) conditional or unconditional, (c) formal or informal.

(a) Delegation is full when complete powers are conferred on the agent, for example, when a diplomatic representative is sent abroad with 'full powers' to negotiate. It is 'partial' when the diplomat is required to get advice and guidance on crucial points from the delegating authority in his country.

(b) Delegation is conditional when the action of subordinate is subject to confirmation and revision by the supervisor; it is unconditional when subordinate is free to act without reservations.

(c) Delegation is formal when embodied in written rules by laws or orders; it is informal when based on customs, conventions and understanding.

## Hindrances to Delegation

The hindrances to delegation are of two types: (a) organisational and (b) personal.

Organisational hindrances are:

(a) Lack of established methods and procedures, delegation is made easier if procedures and rules are well established.

(b) Lack of means of coordination and communication.

(c) Unstable and non-repetitive nature of work, stable and repetitive work affords a greater degree of delegation.

(d) Size and location of an organisation—delegation becomes a necessity if organisation is geographically spread.

(e) Lack of properly spelled out positions in terms of duties and authority.

Personal factors, which cause failure to delegate may be summed up as: egotism to keep power; to remain in limelight and to take credit for everything; fear for disloyalty on the part of subordinates, lack of confidence in the intelligence and technical competence of the associates; absence of emotional maturity in the chief; fear of accountability to higher officials, to the legislature or the people, etc. Pfiffner gives the following human causes of failure to delegate. Persons who rise to position of hierarchical leadership have more than normal egotism. They are afraid that others will not make the proper decisions or carry them out in the desired manner. They fear that disloyal or subversive power centres will develop among strong subordinates. Strong, vigorous and highly motivated persons grow impatient with the slower pace and indecision of subordinates. In public administration political considerations often make delegation difficult. The cultural heritage of man has been one of authoritarian, patriarchal leadership, thus the practice of delegation is partly dependent on cultural change. The act of delegation requires an emotional maturity which apparently is rare, even among successful persons. The symbols of leadership (those personal

qualities and traits which attract the attention of others) are inconsistent with the philosophy of delegation. Those striving to succeed must make themselves prominent. Persons who desire to delegate do not know how. They do not know how, for at least two reasons: (a) the science of organisation and management is immature, and (b) their work experience has not taught them to delegate because most organisations fail to practise delegation.

Notwithstanding all the above organisational and personal difficulties hindering delegation, the need of delegation cannot be denied. Organisational hindrances can be removed by establishing proper procedures and methods of work. Each operating service should have an organisation manual as also an office procedure manual in which proper procedures and the responsibility and authority attached to each of the positions in the hierarchy should be fully described. Delegation, then, shall be more exact and specific. Proper means of coordination and communication should also be established to facilitate delegation.

As far as the personal factors are concerned, not only training of the subordinates but also of the top executive should be emphasised. The subordinates should be trained in the art of properly using discretion within limits of the rules and the top executive in the habit of delegation. It augurs well for our administration that delegation has become an honoured subject of discussion in our country. On the recommendations of O & M Division, the central government in India has already taken to 'delegation' in administration as a matter of policy. The control of the Ministry of Finance over expenditure has been considerably reduced by the delegation of financial powers to various ministries and departments.

## General Principles of Delegation

Delegation should be guided by the following principles:

- (a) Delegation should be written and specific.
- (b) Authority and responsibility for each position in the management group should be spelled out and delegation should be made to a position rather than to an individual.
- (c) Only that much of authority should be delegated as it is within the competence of subordinates to exercise safely.
- (d) Delegation should be properly planned and systematic.
- (e) Policies, regulations and procedures should be well defined as to give no misunderstanding to the employees using discretionary powers.

The degree to which delegation is possible depends upon the nature of the case, the circumstances and the responsibilities involved. Usually, the following powers are not delegated:

The supervision of the work of the first line of immediate subordinates,

- (a) General financial supervision and the power to sanction expenditure above a specified amount.
- (b) Power to sanction new policies and plans and departures from established policy or precedents.
- (c) Rule-making power where it is vested in the delegating officer.
- (d) Making of the specified higher appointments.
- (e) Hearing of appeals from the decision of at least the immediate subordinates.

## REFERENCES

1. James Mooney, 1970, 'The Scalar Principle' in Sexton (ed.), *Organisation Theories*, Columbus, Ohio: Charles Merrel Co., p. 47.
2. L. D. White, 1955, *Introduction to the Study of Public Administration*, New York: Macmillan Co., p. 36.
3. Refer to A. V. Satyanarayana Rao, 1978, 'Weberian Model of Bureaucracy and Development Administration', in A. Avasthi and Ramesh K. Arora, (eds), *Bureaucracy and Development: Indian Perspectives*, New Delhi: Associated, p. 4.
4. *Ibid.*, p. 5.
5. Warren Bennis, 1969, 'Beyond Bureaucracy', in Amitai Etzioni (ed.), *Readings on Modern Organisations*, Englewood Cliffs, N. J.: Prentice Hall Inc., p. 6.
6. Quoted by Dalton E. McFarland in *Management, Principles and Practices*, 1964, New York: Macmillan Co., p. 272.
7. George R. Terry, 1956, *Principles of Management*, Illinois: Richard D. Irwin Inc., pp. 33–34.
8. Seckler Hudzon, 1957, *Organisation and Management: Theory and Practice*, Washington, D. C.: The American University Press, p. 53.
9. Ordway Tead, 1951, *The Art of Administration*, New York: McGraw-Hill Co., p. 192.
10. L. Gulick, and L. Uriwick, 1937, 'Papers on the Science of Administration', Columbia University Press, p. 40.
11. J. C. Charlesworth, 1951, *Governmental Administration*, New York: Harper and Brothers, p. 207.
12. L. D. White, 1989, *Introduction to the Study of Public Administration*, New Delhi: Eurasia Publishing House Pvt. Ltd., p. 37.
13. *Ibid.*
14. *Ibid.*
15. F. M. Marx (ed.), 1964, *Elements of Public Administration*, New Delhi: Prentice Hall of India p. 252.
16. W. F. Willoughby, 1927, *Principles of Public Administration*, Washington D. C.: Brookings Institute, pp. 138–237.
17. J. C. Charlesworth, *op. cit.*
18. F. M. Marx (ed.), *op. cit.*, pp. 251–58.
19. John D. Millett, 1954, *Management in the Public Service*, New York: McGraw-Hill Co., pp. 46 – 47.
20. James D. Mooney and Allan C. Reiley, 1931, *Onward Industry*, New York: Harper and Row, pp. 38 – 39.
21. L. D. White, *op. cit.*, p. 163.

# 4

## Administrative Behaviour

---

### DECISION MAKING

Decision generally means 'the act of determining in one's own mind upon an opinion or course of action.' It implies choosing one among several alternatives given in a particular situation. In the words of Terry, 'it is the selection of one behaviour alternative from two or more possible alternatives.' It may be noted that decisions are not permanent in so far as they have to take cognizance of the changed circumstances. They have to be responsive to varying situations. Thus, decision-making means, 'choosing one course of action rather than another, finding an appropriate solution to a new problem posed by a changing world'<sup>1</sup>

### Factors in Decision Making

The decision-making process involves many factors. According to Millett they are the following three:<sup>2</sup>

**(a) Personal differences:** There are differences in personal qualities of individuals, which make some decisive and others indecisive. Some individuals are willing to make choices and to abide by the consequences. Others prefer to avoid clear-cut choices, to temporise, to postpone, hoping that somehow, some way circumstances will intervene to make a choice unnecessary. These differences among individuals are the result of social and professional environment in which they are nurtured. Opinion is veering round to the acceptance of the premise that intellectuals make bad administrators because they lack the capacity to make decisions. Barnard describes the three main 'limitations of the intellectual' as following: (a) they may be irresponsible (absentminded and non-punctual); they may be indecisive (ultra-careful, ultra-judicial in their examination of a problem, seeing so many aspects of it and so many possible consequences of a particular action that they cannot make up their minds); and (c) they may be non-persuasive, 'queer', or uninterested in people.

**(b) Role of knowledge:** Decision making depends upon the availability of facts and the necessary data. The careful accumulation of detailed facts, their analysis and interpretation, the use of broad concepts of human and physical behaviour to predict future developments—all these elements in the use of knowledge are part of decision making in varying degrees. The really critical factors in the decision process, according to Simon, are (i) the availability of information and (ii) the computational capacities available to deal with the information.

**(c) Institutional and personal factors:** There are institutional limitations which circumscribe decision making. ‘On the one hand, decision making must consider the aspirations, traditions, and attitudes of the agency administering government work. On the other hand, there are personal predilections among administrators which also limit decision making.’ In a democratic society, decisions are highly circumscribed because the administration has to carry people along with and not to exist in some sort of ‘ivory’ tower.

## Decision Making is a Plural Activity

In the words of Seckler-Hudson,

Decision making in government is a plural activity. Decisions are the product of long deliberations in which many people and agencies participate though it is the top administrator who must ultimately give the final word because it is he who has to own the responsibility of the consequences of a particular decision.

## Bases of Decision Making

There are no fixed bases, nor there can be, for decision making. Much depends on the nature of decision to be taken and the nature of agency taking it. Anyhow, all decisions must be taken rationally and not emotionally or impulsively. Seckler-Hudson provides a list of 12 factors which must be considered in decision-making. (a) legal limitations; (b) budget; (c) mores; (d) facts; (e) history; (f) internal morale; (g) future as anticipated; (h) superiors; (i) pressure groups; (j) staff; (k) nature of programme; and (l) subordinates.<sup>3</sup>

According to Maurice Spiers two basic characteristics of decision makers are: (a) They are clearly aware that he is in a choice situation, i.e., he recognises more than one alternative course of action and he feels reasonably certain that if he takes any of them he can predict its outcome with reasonable certainty; (b) They are able to make a ranked preference selection between these courses. Their preferences are arranged in a logical and consistent order.<sup>4</sup>

## Techniques of Decision Making

There are no universally accepted techniques of decision making. The only method is to carefully study, analyse and investigate the problem before taking a decision. Terry lays down the following steps to facilitate decision making: (a) determine what the problem is; (b) acquire general background information and different viewpoints about the problem; (c) state what appears to be the best course of action; (d) investigate the proposition and tentative decisions; (e) evaluate the tentative decision; (f) make the decision and put it into effect, and (g) institute follow-up and, if necessary, modify decision in the light of results obtained.

Maurice Spiers divides the decision-making process into five phases. These are, (a) information input, i.e., selection of relevant information; (b) examination of information; (c) formulation of alternatives; (d) selection of alternatives; and (e) implementation.<sup>5</sup>

According to Martin Starr the components of a generalised decision are: (a) strategies: which are composed exclusively of controllable factors; (b) environments which are composed of uncontrollable factors in the system; (c) result, which is an outcome that will be observed when a given strategy and a specific environmental factor appear together. Sometimes several kinds of results must be considered in reaching a decision. Thus, while making a decision a multidimensional specification of results is required.<sup>6</sup>

Herbert Simon describes three stages in the decision-making process: (a) The intelligence activity, i.e., identifying occasions which require a decision to be taken; (b) the design activity, which refers to inventing, developing and analysing possible courses of action; (c) the choice activity, which stands for selecting a particular course of action from the available choice.

## Types of Management Decisions

Management decisions are classified into three broad categories:

**(a) Personal and organisational decisions:** The personal decisions aim at achieving personal goals whereas the organisational decisions are directed at organisational goals. Chester Barnard while differentiating between the two states, 'Personal decisions cannot ordinarily be delegated to others, whereas organisational decisions can often, if not always, be delegated.'<sup>7</sup>

**(b) Basic and routine decisions:** Basic decisions are those which are permanent in character, and are taken for a long duration. McFarland states that, 'Basic decisions are those which are unique, one time decisions involving long-range commitments of relative permanence or duration, large investments, and a degree of importance such that a mistake would seriously injure the organisation.'<sup>8</sup> Routine decisions are the everyday, repetitive management decisions which do not bear any great impact on the organisation as a whole. However, they play an important role in the successful working of an organisation.

**(c) Programmed and non-programmed decisions:** Programmed decisions are directed at problems that are repetitive. According to Cyert and others:

The programmed decisions are those where we have repetitive, well-defined problems involving tangible considerations, to which the economic models that call for finding the best among a set of pre-established alternatives can be applied rather literally. The non-programmed decisions refer to problems of non-repetitive sort often involving basic long-range questions about the whole strategy.<sup>9</sup>

## Problems of Decision Making

Decision making is a highly complex and difficult process. Some of the problems which are confronted in decision making are:

**(a) Routine taking too much time:** Studies of decision making in public or business enterprises reveal that routine takes too much of time with the result that decisions are either avoided or postponed.

**(b) Which problem to be solved first:** The second problem of decision making is prioritisation, i.e., to decide upon which problem should be solved first. In a large-scale organisation, there are several problems, each looking more urgent than the other. It is extremely difficult to determine the priority of these problems especially in view of the limited resources.

**(c) Lengthy procedures:** Thirdly, decisions are delayed because of the lengthy procedures and other formalities attached to arriving at the decision. The whole procedure is circumlocutory and dilatory and it checks quick decisions. In the words of F. M. Marx,

It would be difficult in a large-scale organisation to point to a single decision of some consequence that is reached without being part of a specified operating method, pinned down by checks and balances, reviews and concurrences, supporting fields and staff papers....(But) the right decision must meet a higher test. It must accord with the general interest, the constitutional spirit, and the moral principle. Nothing short of this will do.<sup>10</sup>

Maurice Spiers mentions four basic limits on rational decision making:

(a) Limitations of information: This refers to the lack of knowledge about the available alternatives between which choice has to be made; (b) the way values impinge on choice: different values and ideologies i.e., the value system limits the circumstances in which choices may be made; (c) politics: persons tend to have different perceptions and preferences/according to their political affiliations. This limits rationality in group decision making; (d) limitation of control, refers to the control of the environment for the implementation of a decision.<sup>11</sup>

## The Problem of Bias in Decision Making

Bias may be defined as a 'swaying influence or undue leaning to one side.' It may take the form of prejudice and predilection. Prejudice is an unfavourable opinion or feeling formed before taking a decision. Predilection is a mental preference of favourable predisposition towards a particular issue or matter or person. Bias should not be confused with unethical acts such as favouritism, corruption, nepotism, etc. These vices are deliberately developed whereas bias is generally unconscious.

Bias generally operates in the following situations: (a) where the official has the discretion to decide; (b) where there are no established procedures and norms; (c) where the authority has both executive and judicial functions; (d) where administration has regulatory powers; (e) where the situation is abnormal, i.e., in times of emergency; (f) in smaller communities. Elimination of bias: It is the unhealthy bias which is undesirable and should be eliminated. If we are developing a constructive bias, as for example, bias in favour of preferential service to the army *jawans* or to their widows or bias in favour of backward classes, it is a healthy bias and needs to be developed and acquired.

Following means can be taken to eliminate bias for arriving at rational decisions:

**(a) Conflict of interest clause:** The Americans have developed the 'conflict of interest' clause which prevents public officials from taking decisions on matters in which they have interests. In our country, rules and regulations are constantly being framed to keep the civil servants free from outside pressures, pecuniary and non-pecuniary gains so that their actions may not be coloured by unhealthy bias. An

amendment to the All-India Service (Conduct) Rules, 1954 provided that 'no member of the services shall, except with the previous sanction of Government, permit his son, daughter or dependant to accept employment with private firms, with which he has official dealings, or with other firms having official dealings with Government.' It is for the same reason that high court judges are not allowed to practise before the same court after their retirement and the comptroller and auditor-general is not allowed to hold any remunerative post after retirement.

**(b) Simplification of procedures:** Lengthy and cumbersome procedures, unnecessary rules and regulations open up the gates for bias. It is, therefore, essential that improved rules of procedure should be established and useless regulations be weeded out. In this connection, the activities of organisation and management (O & M) should be speeded up.

**(c) Use of board-type organisations:** The use of board-type organisations can help reduce the making of arbitrary decisions, for in this type of organisation authority is diffused among a group of persons, each person preventing the other to act with a bias.

**(d) Use of Consultative bodies:** Consultative and advisory bodies are very useful as they help to arrive at right decisions, as they provide mines of information and represent different points of view regarding a particular policy. Their suggestions can be filtered and incorporated in a policy before a final decision is taken.

**(e) Protection from external pressures:** The officials must be safeguarded against external pressures so as to enable them to take right decisions. We, in India, are witnesses to the increasing pressures and pulls under which our officials have to work. Pressures from ministers, members of the legislatures, political party chiefs, workers' unions and several other official and non-official organisations are exerted on the officials.

**(f) Publicity of decisions:** Much of the bias in decision making can be exposed and checked if proper publicity is given to the reasons for taking a decision. If the official records are open to public scrutiny, the official will be more conscious in making decisions for otherwise they will have to bear the brunt of public criticism.

**(g) Education and training:** The officials must be educated and trained in the art of making right decisions by introducing training programmes for them. There is also an urgent need to educate the public. In India, not merely the officials but the general public too are biased. It cannot help the general public to always look to the officials through coloured glasses.

## Herbert Simon's Contribution to Decision Making

Herbert Simon is an eminent political and social scientist based in the United States of America. He has a number of publications to his credit on different subjects, many of which have been translated in various languages. His main publications are *Administrative Behaviour* (1947), *Fundamental Research in Administration* (1953), *Organisation* (1958), *The New Science of Management Decision* (1960), *Shape of Automation* (1960), and *Human Problems Solving* (1972). His book *Administrative Behaviour* critically analyses the factors involved in decision making. His contribution in analysing the decision-making process has been outstanding, in recognition of which he was awarded the Noble Prize in 1978.



Simon equates administration with decision making. He describes all administration as decision making. His concept of decision making is the core of administrative action. He lays emphasis on how decisions are made, and how they are made more effectively. His concept of decision making and the process of arriving at correct decision may be briefly described as follows:

(a) He vehemently criticises the traditional principles of administration as expounded and evolved by Foyal's POCC, Taylor's scientific management, Gullick's POSDCORB etc. He calls these principles as 'proverbs and myths' with many fundamental ambiguities. His concern was to develop a general theory of administration based on principles governing human behaviour. He felt that only such a different grounding of administrative principles would form the basis for administrative science and would insure correct decision making as well as effective action.

(b) He recommends an empirical approach to the study of administration as an alternative to the principles approach. He is of the view that administrative studies of the scientific management era were superficial, oversimplified and lacking in realism. His attack on the traditional principles of work division, unity of command, span of control etc., for their failure to adequately diagnose situations and lack of detailed research into real situation. He finds no comparability between the perfection of administrative process as conceived in the POSDCORB formula and their utility in the attainment of objectives. He points out the yawning gulf between the principles and practice. According to him, the missing factor is that correct decision making by which he means the optimising rational choice between alternative courses of action, thus beginning his research for rational decision-making models from which guides to real world decision making might be derived.

(c) To him, decision making is choosing between different available alternatives. In such a process, the individual is conditioned by both value and factual premises. A fact is a statement of reality indicating the existing deed, act or state of things. A factual premise can be proved by observation and the measurable means, whereas a value premise can be subjectively asserted to be valid. Simon feels that though it is not easy to isolate value and factual premises, he emphasises that administration shall be based on facts.

(d) According to Simon, rationality is another important factor in decision making. He expounds the necessity of being rational in making a choice. He defines rationality as one concerned with the selection of preferred behaviour alternative in terms of some system of values whereby the consequences of behaviour can be evaluated. He also explains rationality in terms of means-ends construct—If appropriate means are chosen to reach the desired ends, the decision is rational. But there are many complications to this simple test of rationality as it is difficult to separate means from ends.

(e) Simon differentiates between two types of decisions—programmed and non-programmed. The former are repetitive and routine in nature for which definite procedures can be worked out and each decision need not be dealt with separately whereas latter are more unstructured and consequential and have to be tackled independently by the executive.

(f) Simon holds that the utilisation of electronic data processing and computers will increase rationality and therefore computerisation in the decision-making process should be promoted. Automation and rationalisation of decision making will bring about a qualitative change in the climate of an organisation and make the task of the executive easier and more satisfying.

(g) Further, he is of the opinion that administration must be guided by the criterion of efficiency in all aspects of decision making. He is however, conscious of the complicated nature of its application in governmental organisations which are not commercial in nature.

## Criticism

Simon has focussed attention on dynamics of decision-making processes and their role in organisation. His study provides a deep insight into administrative behaviour and the interaction between decision-making process and administrative behaviour found in organisation. But his thesis is criticised for (a) relegating social, economic and cultural factors to the background though their role is no less significant in the analysis of administrative behaviour; (b) value system is an integral and essential component of policy determination, its exclusion from decision making process will reduce the study of public administration to mechanical, routine and less important aspects; (c) his idea of fact-based administrative theory is more relevant to business administration than public administration; (d) he assumes that administration plays a similar role in all societies but the administrative system in developed and developing countries differ in their respective roles. Therefore, developing an administrative theory solely on the basis of administration in developed countries, especially on the basis of the Western experience, cannot be universally valid.

## Conclusion

It cannot be denied that Simon's theory of decision making does suffer from some imperfections as pointed out above, yet his contribution to the formulation of a general administrative theory is of great significance. It would have been more rewarding if Simon had continued with his research and writings of public administration rather than shifting his interest to business and industry and subsequent administrative theories had dealt with his decision making processes in administration.

## THEORIES OF LEADERSHIP

### Definitions of Leadership

Leadership has been defined differently by various scholars. According to Piffner and Sherwood, a leader is the modifier of organisation behaviour. They say 'Get the right [person] in the leadership job, and all your problems will be solved.'<sup>12</sup> In the words of Millett:

Leadership is often thought of as being primarily personal in character, as being founded upon individual pre-eminence or accomplishment in a particular field of endeavour, superior strength, superior cunning, superior intelligence, superior knowledge, superior determination—any or all of these may be means to the attainment of leadership.<sup>13</sup>

It cannot be denied that these personal qualities do pay dividends but leadership is not all personal pre-eminence. It is something more and that 'something more' is the essence of leadership. It is the capacity to set new goals, to hold forth new and loftier expectations for the group, to embody moral and spiritual aspirations and to show the group its nobler potentialities that make a man a leader. According to Little-

field and Frank Rachel, 'Leaders, it was assumed, should make all significant decisions as to what should be done and how they should have authority to command the action of other and to administer rewards and penalties in relation to performance.'<sup>14</sup> Leadership has, therefore, a dual meaning. The dictionary meaning of the word 'to lead' shows that the term is used in two different senses, first, 'to excel, to be in an advanced position, to be prominent' and second, 'to guide others, to be head of an organisation, to hold command.' In the former sense, leadership is identified with individual pre-eminence and in the latter sense; it is identified with managerial talent or leadership.

## Leadership and Power

The concept of power and leadership has much in common. In the last analysis certain people are leaders because they exercise power. Indeed it is unthinkable that a leader should not have power. Consequently the exercise of influence is a central part of most definitions of leadership. But that does not mean that leadership and power is the same thing. Power indicates coercion, authority, command, and in any organisation, these have to be activated for the accomplishment of certain tasks but leadership represents a choice of these instruments. The leaders cannot and will not, if they are good leaders, always rely on these instruments of power and even if used, the leaders will use coercion as a last resort. Their basic function is to persuade, to influence, to motivate and to inspire. Leadership can thus be defined as 'the activity of persuading people to cooperate in the achievement of a common objective.'<sup>15</sup> Terry defines it as 'the activity of influencing people to strive willingly for mutual objectives.' 'Leadership always involves attempts on the part of a leader (Influencer) to affect (influence) the behaviour of a follower (influencee) or followers in a situation.' In the words of Seckler-Hudson, 'Leadership in large organisations may be defined as influencing and energising people to work together in a common effort to achieve the purposes of the enterprise.'<sup>16</sup>

## LEADERSHIP AND AUTHORITY

Leaders are vested with authority. Albert K. Wickesberg lays emphasis on the fact that mere authority can not make a person a leader. In his words, 'They (leaders) may be so called in name but they will not be so in fact unless their associates and subordinates also regard them as leaders and managers'.<sup>17</sup> This shows that for becoming a leader in the real sense, apart from the hierarchical authority, some other qualities are also required.

## Theories of Leadership

There are different approaches to the study of leadership. The important among them are discussed in brief here:

**(a) Trait theories:** The trait theorists believe that there are certain, in-born characteristics which make a person a leader. That is why it is said that leaders are born and not made. The behavioural psychologists, however, hold that all traits are not completely in-born and some can be acquired through learning and training. According to H. C. Warren, leadership depends on attitudes and habits of dominance in certain individuals and submissive behaviour in others. Keith Davis highlighted four traits of a successful leader: (i) intelligence, (ii) social maturity, (iii) inner motivational achievement and (iv) human

relations attitudes.<sup>18</sup> Though the trait theories provides some insight into the traits of leaders but there is a good deal of disagreement among the writers as to what the universally acceptable traits are. In fact, these theories have little analytical and productive value.

**(b) Sociometric theory:** Jacob Moreno and Helen Jennings, advocate this approach that provides an easily accessible and relatively objective means of assessing interpersonal attitudes within a group. It suggests that the leadership qualities and requirements vary in different groups according to goals, tasks and internal structure of an organisation.

**(c) Situational theories:** The situationist approach is a method of identifying leadership traits by putting the candidates in a given situation. Initially it is assumed that certain elements such as speech, intelligence, stability and persistence are essential in leaders. Candidates are placed in a group and it is observed as to how they act under trial situations that are constructed as realistically as possible. The situational theorists believe that leadership roles, skill and behaviour depend upon the environmental situations, both internal as well as external. Alan Filley and Robert House have given the following situational factors which influence leadership effectiveness:<sup>19</sup> (i) The history of the organisation, the age of the leaders and their previous experience, (ii) the community in which an organisation operates, (iii) the work requirement of the group, (iv) the psychological environment of the group which is going to be led, (v) the kind of job the leader holds, (vi) the size of the job, (vii) the group members' personalities, and (viii) the time required and allowed for decision-making.

**(d) General interaction theory:** According to this theory, leadership is a function of personality and social system in a dynamic interaction situation. Fred Fiedler (1967) systematically elaborated this theory. He developed a contingency model of leadership which contained the relationship between leadership style and the favourableness of the situation. It suggested that the effectiveness of group performance can be affected by changing the leaders' style and/or the situation in accordance with the described relationships.<sup>20</sup>

**(e) Idiosyncrasy credit theory:** This theory emphasises the role of 'followers' in leadership behaviour. It states that it is not only the leaders who influence their followers but in fact the followers also equally influence the leader. Edwin P. Hollander and James W. Julian use the concept of 'exchange' to explain this leader-follower interaction process. According to this approach, situations, group and leadership style can be integrated with an overall influence system of leadership.

Though different theories of leadership exist, the most appropriate one is which recognises the importance of systematic interaction among style, group and situation. An administrator should attempt to adopt a style which is comparable with the needs and expectations of subordinates and is appropriate in the given situation.

## Types of Leadership

Leadership is generally of three types: (a) authoritarian directive, production centred (b) democratic participatory or employee centred and (c) charismatic. The first approach is the product of Taylor's scientific management movement whereas the second one is the outcome of the researches and experiments conducted by Elton Mayo at Hawthorne and supported by Iowa and Michigan studies. The authoritarian leadership prefers higher productivity to the welfare of the employees whereas Michigan studies have

proved that the best pattern of supervisory leadership is employee centred i.e., concerned with employees' welfare. Democratic leadership is a 'human relation' approach which is in keeping with democratic values but it cannot be applied wholesale. As Pfiffner and Sherwood have said,

Democratic leadership seems to make a great deal of sense where ultimate power rests with the participants, as is the case in our political jurisdictions, in labour unions, and in many smaller voluntary groups. The possibilities of its application are considerably lessened as we move into situations where power is not so neatly lodged in the participant group, as is the case with employees of a business or a government agency.

Max Weber had given the concept of charismatic leadership. Such leaders are natural leaders, for example, Jawaharlal Lal Nehru and Indira Gandhi. People followed them automatically because of their inherent qualities. A natural leader is a friend, philosopher a guide to their subordinates.

## Functions of Leadership

The advocates of democratic leadership feel that the essential function of the leader is to work toward unity and cohesiveness in the organisation. The supporters of authoritarian leadership feel that higher production is the sole purpose for which the leader must work. This is, however, a very narrow approach to the functions of leadership. Even higher production may not be possible unless the leader is in a position to influence the organisation behaviour. According to Barnard, a leader performs four main functions, (a) the determination of objectives, (b) the manipulation of means, (c) the control of the instrumentality of action, and (d) the stimulation of coordinated action.

Littlefield and Frank Rachel, have enumerated following functions of leaders:

**Goalsetting:** It is a very important function of a leader in the sense that it provides a sense of purpose to the organisation, and serves as a measuring rod in relation to actual performance.

**Designing jobs:** Specialisation should be the basis of designing jobs. The benefits of specialisation are real and significant. Complex undertakings can be broken down and accomplished effectively by joint effort. Skill and dexterity usually can be increased when employees specialise in single operations.

**Communication:** Communication is very essential from the point of view of achievement of the objectives of the organisation. An administrator has to face certain difficulties while communicating with his superior officers, subordinates and equals. According to Leonard Sayles, for the supervisor at work communicating is not easy. In giving orders to subordinates, asking why an assignment was not completed on time, or listening to a suggestion from an employee, the supervisor is faced with many communication barriers. Empathy, skill in listening and observing, and special effort to get to know one's employees and taking personal interest in each of them are of basic importance if real communication is to occur.

**Participation:** Good leaders always try to get the maximum participation of their employees, by delegation of responsibility, consultation on major aspects of a problem or proposal, or on minor details of how to apply a plan already decided upon, or an employee's reaction to a pre-determined plan. Participation is essential for ego-satisfaction and self-fulfilment of employees.

**Working with superiors:** Administrative leaders have to come up to the expectations of their superiors by providing necessary information, suggesting solutions of problems and proving their loyalty.

**Working with equals:** Efforts to understand and work effectively with one's associates is of crucial importance. While working with associates of equal status, one must be consistent.

**Working with subordinates:** Administrative leaders will achieve higher productivity and better employee morale if they let their people know what they expect, train them thoroughly, are careful to insure that current instructions are understood, and are certain to incorporate their ideas into the working plan when feasible.

Though leadership is provided at several levels in the hierarchy, the top leader's role is the most important.

'He is the symbolic spokesman, the coordinator supreme, the important participant in decisions as to goals, the primary change-agent, and the example to the organization. Even cut down this much, the man at the top still has a monstrous responsibility.'

We should guard ourselves against treating the whole management as a product of 'personality cult' and we must give due importance to the role that leadership plays at other levels in the administration. Thus, leadership is a collective activity in which all key persons participate under the overall control of the top leader.

## Qualities of a Good Administrative Leader

Different writers have laid emphasis on different qualities of a leader. According to Littlefield and Frank Rachel, a leader must have empathy, genuine respect for subordinates, and integrity. John A. Vieg feels that a leader must bring to the job strength and balance of personality, and must have interest, intelligence and energy.<sup>21</sup>

According to Barnard, the qualities of a good leader are vitality and endurance, decisiveness, persuasiveness, responsibility and intellectual capacity.<sup>22</sup> Millett has mentioned qualities of a leader as follows:

(a) Good health, personal energy, and physical endurance; (b) a sense of mission, a sense of personal commitment to a cause or purpose, enthusiasm, self-confidence; (c) interest in other people, a sense of friendliness, a concern for others; (d) intelligence, not necessarily profound knowledge about detailed or highly specialised matters, but good commonsense, a ready or quick ability to comprehend the essential elements of necessary information, and the capacity to use knowledge; (e) integrity, a sense of moral duty and of fairness, willingness to share achievement, the capacity to set standards of personal and official conduct, which will command the respect of others; (f) persuasiveness, the capacity to win others; (g) judgement, the capacity to know strength and the weaknesses of the people one works with and how to obtain their maximum usefulness to an organisation; (h) loyalty, devotion to cause and also to the persons with whom one works, a willingness to defend the group against external.<sup>23</sup>

Paul H. Appleby, in one of his lectures at the Indian Institute of Public Administration had mentioned the following qualities of good administrative leaders: (a) willingness to assume responsibility; (b) steadily enlarging ability to deal with more problems, more varied problems and more diverse people; (c) a strong bent towards action; (d) good listening and questioning skills; (e) knowing how to deal effectively with people; (f) capacity and willingness to build a team based on merit; (g) belief in institutional rather than personal resources; (h) effectiveness and avoidance of using authority for its own sake; (i) self-confidence to readily confess ignorance and personal fault; and (j) an encouraging attitude towards reports of troublesome matters lest they reach unmanageable dimensions. To conclude, administrative leaders, to be successful, should seek the cooperation of their subordinates as it is team work which is essential for the efficient functioning of an organisation. A healthy relationship between the superior and the subordinate, the leader and the follower is thus a precondition to the success of an organisation.

## COMMUNICATION

### Definition of Communication

Communication is the interchange of ideas between two or more people. Lawrence Appleby defines it as 'that process whereby one person makes his ideas and feelings known to another'<sup>24</sup> Similarly McFarland defines it, 'as the process of meaningful interaction among human beings.'<sup>25</sup> According to Vardaman and Halterman

Communication is the flow of material, information, perception and understandings between various parts and members of an organisation ... all the methods, means and media of communication (communication technology), all the person-to-person interchange [inter personal communication] ....It includes all aspects of communication: up, down, lateral, speaking, writing, listening, reading, methods, media, modes, channels, networks, flow, inter-personal, intra-organisational and inter-organisational.

### Types of Communication

Communication is classified into downward, upward, and lateral communication on the basis of the direction in which it flows.

**Downward communication:** It refers to the directions and other messages which originate at the top level of hierarchy and are transmitted through the various levels, until it reaches the lowest level. It is also known as superior–subordinate communication. The process of delegation of authority to lower levels is an example of this form of downward communication.

Katz and Kahn have identified five general purposes of superior subordinate communication in an organisation: (a) to give specific task directives about job instructions; (b) to give information about organisational procedures and practices; (c) to provide information about the rationale of the job; (d) to tell subordinates about their performance; and (e) to provide ideological type information to facilitate the indoctrination of goals.<sup>26</sup>

**Upward communication:** This communication is from the lower levels of hierarchy to the top levels in the form of proposals, reports, recommendation or suggestions. Just as the downward communication becomes superior–subordinate communication from a personal perspective, the upward system becomes subordinate-initiated communication. This upward communication is rather ineffective due to a number of barriers, such as physical distance or inaccessibility, dilution or distortion at each level, the attitude of the supervisor, the inferior status of the subordinate, and tradition.

**Lateral or horizontal communication** takes place among workers of the same level in the hierarchy. Fred Luthans calls it the interactive communication.<sup>27</sup> Gerald Goldhaber has summarized its purpose as

(a) Task coordination: The department heads may meet monthly to discuss how each department is contributing to the system's goals.

(b) Problem solving: The members of a department may assemble to discuss how they will handle a certain problem.

(c) **Information sharing:** The members of one department may meet with the member of another department to give them some new data.

(d) **Conflict resolution:** Members of one department may meet to discuss a conflict inherent in a department or between departments.<sup>28</sup>

## Internal and External Communication

Communication can also be classified as internal and external. Internal communication deals with the relationship between the organisation and its employees. It is of extreme importance for the departments which have network of field offices. Unless continuous communication reaches the headquarters, we cannot think of cooperation in administration which is the very core of administrative activities. The authorities cannot take any proper administrative decision unless full information regarding the case is communicated to them nor the decision can be executed unless it is communicated to the executing agencies. Here, both upward and downward as well as lateral communication is of great importance. Thus, communication has been rightly described as the blood-stream of an organisation. External communication deals with the relations of an organisation with the people and agencies outside the organisation and can be called the public relations.

## Means of Communication

Communication may be effected through formal and informal means. The formal means of communication are:

(a) **Personal contacts:** These can be in the form of face to face talk or by phone, wireless or teleprinters etc. Among the various means of establishing personal contacts face to face talk is more effective. But it cannot be applied in large organisations when the department has its field office scattered at long distances. Another effective device for personal formal communication is the formal meetings, which are set up to deal with particular problems, and can be in the form of 'sub-committees', 'working party' or 'study group'.

(b) **Formal correspondence:** Communication through written records is the most commonly used method in modern public administration. All public officers are responsible for their acts and must reduce all public acts in writing. The entire office procedure depends on the filing system, and if operated well, it can ensure an efficient and automatic flow of communication upwards and downwards.

(c) **Forms:** The use of printed forms has also become an important and common method of sending communications in public administration. There are printed application forms, requisition forms, letter forms, accounting forms and numerous other types of forms. The use of prescribed forms saves time and increases efficiency.

(d) **Instructions:** Instructions orally or in the form of circulars or orders may be sent down the line regarding the rights and duties of the staff.

(e) **Information and publicity:** Information of different types can be communicated through different methods of publicity such as notice board, circulation of notices, supply of papers to the staff individually, staff journals, staff meetings and the staff library. The officer in charge of publicity should use the right method to make information effective.



## Hindrance to Effective Communication

The main hindrances to effective communication are:

- (a) **Language difficulties:** Multiplicity of languages being spoken by different people may lead to miscommunication and possibility of misinterpretations. Sometimes, even a national language, as is the case in India, adopted for the purpose of *official* communication may not prove effective because it is used in a technical and legalistic manner and it may be difficult to comprehend for even an educated person.
- (b) **Frame of mind:** The mood, temperament and frame of mind of those giving, transmitting or receiving the information may prove an impediment in the way of effective communication.
- (c) **Status distance:** Status distance also sometimes proves to be a great hindrance to effective communication. The communication is not entertained unless passed through proper channel. It thus may create frequent delays and unnecessary embarrassment. It is said that Pearl Harbour was lost to because the commander did not believe the information given in time by General Short, a non-commissioned trainee, who had detected the approach of the Japanese planes.
- (d) **Geographical distance:** Geographical distance also is a hindrance to proper communication, although this problem has been reduced considerably, by invention of technological devices. This difficulty can, however, be further eliminated to a greater extent by grouping the government departments on the basis of the nature of their functions and housing them, as far as possible, in the same building.

According to Hermann Roodman and Zelda Roodman the following communication barriers prevent effective dialogue:

- (a) Poorly expressed message resulting out of disorganised ideas, clumsy sentence structure, wrong words or phrases, and needless repetition.
- (b) Misinterpretation occurs because the information is not being received by the communicant as intended by the communicator.
- (c) Poor retention happens because of insufficient interest and concentration on the part of recipients of information.
- (d) Motivation is impaired because staff members fail to read and analyse bulletins, messages and reports.
- (e) An inadequate adjustment period among members of the organisation leads to misunderstanding and unpleasant human relations.
- (f) Premature evaluation creates confusion through the abrupt curtailment of all facts that are pertinent to the situation.
- (g) A sense of fear arising due to absence of goodwill and rapport between a person and their boss in daily work environment.
- (h) Lack of discussion causes lack of healthy dialogue and group effort.

These barriers can be removed by, (a) unity of thought: words conveying same meanings for the sender and the receiver of the message; (b) intention: sincerity of purpose between both parties involved in the dialogue; (c) empathy: the ability to understand, feel and to predict what another person will do; (d) direction: the element which shapes and clarifies the road to understanding in the person–boss relationship. Superior–subordinate communication problem can be solved through leadership and initiative, which encourage participation and involvement among all members of the organisation.

## MORALE

An effective public service is characterised by high prestige, positive morale and integrity. Morale is the state of mind of an individual or a group with respect to work and work environment. High morale is a state of mind in which men and women voluntarily seek to develop and apply their full powers to the tasks on which they are engaged by reason of the intellectual or moral satisfaction which they derive from their own self-realisation, their achievements in their chosen fields and their pride in the service. It is also a social situation in which men and women are aware of the degrees to which they are mutually affected by their motives.

‘Morale’, according to Alexander Leighton, ‘is the capacity of a group of people to pull together persistently and consistently in the pursuits of a common purpose.’

High morale is always basic to civil service. It is impossible to think of an efficient civil service sans morale. The British civil service has been termed the ‘envy of the world’. Lord Hewart, rated it as the best civil service in the world. H. G. Wells, a bitter critic of bureaucracy, praised the tradition of honour and devotion to duty that animated the civil services in England. Obviously, the tradition of honesty and devotion to duty, i.e., the high morale built up by the services themselves is the secret of outstanding success of the British civil service. L. D. White maintains that morale is an inner possession of an individual or a group. Although the term had been used earlier, it became popular during World War I in military circles.

It is a self-stimulating incentive created within the minds and hearts of the workers. It induces them to far superior efforts in their respective fields of work than greed of money or fear of punishment does.

As already mentioned, high morale is a primary requirement of an efficient civil service. If the level or degree of morale is low, the inefficient and incompetent civil service will be the net result. Its presence leads to all round efficiency. It creates in the employees of the organisation *esprit de corps*. High group morale may help tide over a phase of depression of an employee who is perplexed and distressed by personal worries.

## How to Build up and Maintain Wholesome Morale

There are many factors which go to build up and maintain high morale. L. D. White, names these factors as the ‘broad bases’ on which a wholesome morale can be maintained.

**(a) Knowledge of the purposes and objectives of the organisation:** The members of an organisation should have knowledge of the purposes and objectives which the organisation seeks to achieve. They should be convinced of their social value. White calls it ‘a driving force of much importance’. Taking steps to keep the members of a group informed makes a positive contribution to morale and develops the feeling that every one belongs and has a share in the enterprise.

(b) **Sense of the worth of the work:** Work done only to earn a livelihood somehow does not provide positive satisfaction in the performance. From that point of view, shared knowledge of objectives is related to the sense of the worth of one's work. According to L. D. White, there are few more depressing circumstances than the haunting feeling that what one is doing is not worth doing. It is not enough that work provides a living. It should provide a positive satisfaction in the performance. A high morale is essentially joined with a belief in the importance and value of the work that each individual performs. The assurance of such a conviction so far as may be possible is one of the broad responsibilities of management and deserves not to be left to chance alone.

(c) **Confidence of the rank and file in the integrity and good intent of associates and superiors:** Another important element for boosting morale is the confidence of the rank and file in the integrity and good intent of associates and superiors. Nothing can be more demoralising for the employees of an organisation than suspicion of unfairness of higher officers of the organisation. As White suggests, it is difficult to maintain *esprit de corps* in an organisation whose leaders are suspected of unfairness, favouritism or corruption.

(d) **Personal loyalty:** Personal loyalty also builds up morale in services. Successful executives inspire devotion among their subordinates. Though in a democratic administration setup, loyalty to one's superior may not be *demanded*, it certainly is essential for efficient functioning of the organisation. Therefore, officers should win the loyalty of their subordinates. There are no standard rules for this, and the only way an official may win loyalty of subordinates is to build confidence among them and get accepted as their natural leader. The official must have a sense of judgement as when to reward and when to punish, and should not miss any of these opportunities.

(e) **Stimulating leadership:** Stimulating leadership is another important basis of maintaining morale. According to L. D. White, effective leadership will use several methods to improve morale. Great leaders by their personality and influence bring to bear on their associates and subordinates forces of incalculable value, and with their administrative calibre, leave an indelible imprint on their associates and subordinates. L. D. White writes that administrative leadership often rises to stimulating levels and sometimes to genuine heights. Stimulating leadership can also help rebuild a shattered organisation.

(f) **Recognition:** Morale rests upon recognition, writes L. D. White. It is human to crave notice of personal achievements and to respond to public attention given to the success of individual efforts. He further writes that in professional and scientific circles, the recognition of one's peers is one of the greatest, perhaps the greatest incentive. Work of exceptional merit done by a civil servant must get due recognition. The dedication, honesty, sincerity and devotion with which civil servants perform their duties should be recognised. To grant such recognition is the responsibility of the head of the organisation.

Last but not the least, it is also important that the employee should have good working conditions like good salary, security of service, opportunity for promotion, facility of leave, retirement benefits etc. Within the framework of generally sound employment conditions most employees make suitable adjustments to their fellow workers, supervisors, subordinates and to the work itself.

## MOTIVATION

Motivation is an important element in understanding, studying and analysing human behaviour. It helps an executive or a manager to identify the motives which influence the behaviour of people at work to attain organisational objectives. To guide and direct people to attain organisational objectives requires familiarity with or knowledge of what motivates them to do things or act in a way required of them.

According to the *New Encyclopaedia Britannica* (Vol. 12, 15th edition) ‘The term “motivation” popularly refers to the causes of behaviour; i.e., whatever it is within the individual that incites action’.<sup>29</sup> The word ‘motivation’ comes from the Latin term *motivus* (‘a moving cause’), itself derived from *motus* (‘moved’). Motive refers to some inner drive, impulse, intention, etc. that causes a person to do something or act in a certain way. According to Keith Davis, motives are expressions of a person’s needs and hence they are personal and internal.<sup>30</sup> ‘Motivation’, according to Koontz and O’Donnell, ‘is a general term applying to the entire class of drives, desires, needs, wishes, and similar forces. Managers motivate their subordinates to do those things which they hope will satisfy these desires and drives and induces the subordinates in a desired manner.’<sup>31</sup> The *Encyclopaedia of Management* defines motivation as the degree of readiness of an organism to pursue some distinct goal, and the determination of the nature and locus of the forces inducing the degree of readiness. Motivation is a managerial function to inspire, encourage and impel people to take the required action. Motivation attempts to answer the ‘why’ of human behaviour. All human behaviour has a cause. It results from felt need. A perceived need creates a tension, i.e., motivating force, and this tension leads to some activity, which in turn achieves the goal, and there is a reduction of tension. Management must either create felt needs and drives within the individual or offer a means of satisfying needs already in existence within the individual.

However, not until the 20th century did ‘motivation’ enter the vocabulary of philosophy and psychology. The concept was not in the *Dictionary of Philosophy and Psychology*, publication of which was completed in 1911.

## Theories of Motivation

The concept of motivation has gained significance and wider acceptability. It is used by the psychologists, sociologists and other social scientists as a means of answering two basic questions concerning human behaviour. Why is a person impelled to work? or, what determines the directions of their actions?

Various theorists in social sciences have put forward their own suppositions or theoretical views which provide on insight into human behaviour. These theoretical views are, in fact, known as theories of motivation. These theories help us understand human behaviour, and the factors which help in changing it to promote organisational efficiency. Some of these theories are mentioned here.

The *New Encyclopaedia Britannica* of the 1970s mentions some theories of motivation which include psychoanalytic theory advocated by Freud; drive theory by Woodworth, arousal theory; and hedonic theory.<sup>32</sup> Following is a brief discussion of some other theories which are called modern theories of motivation.

## The Hierarchy of Needs Theory

Abraham Maslow’s needs hierarchy theory is one of the widely mentioned theories of motivation. It provides the framework to study and analyse human motivation. Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest. He arranged human needs in a hierarchy i.e., in an

ascending order of importance. These are: physiological needs, security needs, social needs, self-esteem needs and the need for self-actualisation. In this order, the physiological and security needs are the lowest needs; self-actualisation is the highest order need. In between are the social and self-esteem needs.

As per Maslow's theory, physiological needs may be synonymous with biological needs of human beings. These include hunger, thirst, sex etc. Once a physiological need is satisfied it ceases to serve as a motivating force. Then other needs (in order of hierarchy) become the motivating force.

We humans are social beings. Once our physiological and security needs are fulfilled, we seek affection, love and belongingness from other human beings and the society around us. Fulfilment of esteem needs makes a person confident, adequate and useful.

Self-actualisation is the highest need in the hierarchy of needs and as such it is directed towards searching for the meaning and purpose of life. Even if all other needs are satisfied a human being feels restless and tries to achieve excellence in chosen fields.

However, Maslow himself has pointed out that the hierarchy of needs is not as rigid as it is implied theoretically. The hierarchy of these needs may vary in some cases for example, some people have a strong urge for self-esteem than for a social need. A satisfied need is not a motivator.

Maslow's needs-hierarchy theory was criticised on many grounds, mainly on the grounds of sophistication and validity of his research. Despite criticisms, Maslow's theory is useful, as Dunham points out, to assess the need levels of employees and to identify suitable types of rewards and opportunities to improve organisational effectiveness.<sup>33</sup>

## The Motivation-Hygiene Approach Theory

Abraham Maslow's hierarchy of needs theory has been substantially modified by Frederick Herzberg and his associates with their two factor theory. Herzberg's two-factor theory identifies five strong determinants of job satisfaction and five of job dissatisfaction.

Achievement, recognition, doing challenging work, responsibility and advancement and growth in the job are the factors listed by Herzberg and his associates as motivating factors. These factors, according to Herzberg, have the potential of yielding a sense of satisfaction.

On the other hand, factors which Herzberg termed as 'hygiene factors' and are the potential demotivating factors, are: a company's policy and administration, supervision, working conditions, interpersonal relations, and salary and status. Their existence does not motivate in the sense of yielding satisfaction, their lack of existence would, however, result in dissatisfaction. In other words the presence of these factors does not motivate people in an organisation; yet they must be present as their absence will result in dissatisfaction.

In spite of the wide-ranging application and popularity of Herzberg's two-factor theory, it was criticised for adopting an industrial engineering approach.

## McGregor's Theory X and Theory Y

Douglas McGregor developed two sets of assumptions commonly called Theory X and Theory Y. In his famous book *The Human Side of the Enterprise*, published in 1960, he has argued that the theoretical assumptions which management holds about controlling its human resources determine the whole character of the enterprise. He said, managing must start with the basic question of how managers see themselves in relation to others.

**Theory X** is the traditional view of direction and control. According to McGregor the fairly familiar traditional assumptions of Theory X are:

- (a) The average human being has inherent dislike of work and will avoid it if they can;
- (b) Most people must be corrected, controlled, directed and threatened with punishment to get them to put forth adequate efforts towards the achievement of organisational objectives.
- (c) The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition and wants security above all.<sup>34</sup>

The assumptions of Theory Y are:

- (a) The expenditure of physical and mental effort in work is as natural as play or rest.
- (b) Human beings exercise self-direction and self-control in the services of the objectives to which he is committed.
- (c) Commitment to objectives is a function of the rewards associated with their achievement.
- (d) The average human being learns under proper conditions not only to accept but also to seek responsibility.
- (e) The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organisational problems is widely, not narrowly distributed in the population.
- (f) Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised.<sup>35</sup>

These sets of assumptions are different from each other.

## Motivation: The Carrot and the Stick Approach

The carrot and the stick approach is another addition to the list of modern theories of motivation. It is a combination of rewards and penalties to induce the desired behaviour. It has been drawn from the old belief that the best way of making a donkey move is to put a carrot in front of him. If the donkey does not, then there may be a need to jab him with a stick from behind.

The carrot is in the form of rewards, or possible rewards. It acts as a motivator. The stick in the form of fear—fear of loss of job, loss of income, reduction in benefits, demotion or some other penalty—also serves as a strong motivator under certain situations. Yet it is not admittedly the best kind. It often gives rise to defensive or retaliatory behaviour.

## The Expectancy Theory of Motivation

The expectancy theory is yet another approach in explaining how people are motivated. Victor H. Varoom holds that people are motivated to do things for the realisation of a goal if they believe in the worth of that goal and if they can see that what they do will help them to achieve it. This is considered to be a modern expression of what Martin Luther has observed earlier when he said, 'Everything that is done in the world is done in hope.'

## REFERENCES

1. Richard M. Cyert, Herbert A. Simon and Donald B. Trow, 1975, 'Observation of a Business Decision', in Albert H. Rebenstein and Chandwick J. Haberstroh (eds), *Some Theories of Organisation*, Bombay: Taraporevala and Co..
2. John D. Millett, 1954, *Management in the Public Service*, New York: McGraw-Hill, pp. 44-45.
3. Catheryn Seckler-Hudson, 1957, *Organisation and Management: Theory and Practice*, Washington D.C: The American University Press, p. 29.
4. Maurice Spiers, 1975, *Techniques and Public Administration*, Glasgow: Colling and Co., p. 144.
5. *Ibid.*, pp. 146-47.
6. For details refer, Martin K. Starr, 1971, *Management: A Modern Approach*, New York: Hercourt Brace Jovanovich Inc., pp. 122-24.
7. Quoted by Fred Luthans in *Organisational Behaviour*, 1977, New Delhi: McGraw-Hill Co., p. 179.
8. *Ibid.*, p. 181.
9. Simon Cyert and Trow, *op. cit.*, p. 592. Herbert Simon has also made a distinction between programmed and non-programmed decisions. For this and other aspects of Simon's ideology, see Shum Sun Nisa Ali, *op. cit.*, pp. 79-91.
10. F. M. Marx, 1957, *The Administrative State*, Chicago: University of Chicago Press, p. 182.
11. Maurice Spiers, *op.cit.*, pp. 145-46.
12. John M. Pfiffner and Frank P. Sherwood, 1961, *Administrative Organisation*, New Delhi: Prentice Hall, p. 348.
13. John D. Millett, 1954, *Management in the Public Service*, New York: McGraw-Hill, p. 33.
14. Cleatice L. Littlefield and Frank Rachel, *Office and Administrative Management*, p. 47.
15. Harold Koontz and Cyril O' Donnell, 1955, *Principles of Management*, New York: McGraw-Hill, p. 69.
16. Catheryn Seckler-Hudson, 1937, *Organisation and Management: Theory and Practice*, Washington D.C: The American University Press, p. 138.
17. Albert K. Wickesberg, 1970, *Management Organisation*, Bombay: Times of India Press, p. 32.
18. Quoted in Asha Hingar, 1977, Theories of Leadership: A Conceptual Overview, in *Preshasnika*, January-March, p. 41.
19. Allan C. Filley and Robert J. House, 1969, *Managerial Process and Organisational Behaviour*, Glenview, Illinois: Scott, Foresman and Co., p. 409.
20. Fred E. Fiedler, 1967, *A Theory of Leadership Effectiveness*, New York: McGraw- Hill.
21. John A. Vieg, 1959, 'Leadership and Authority,' in F. M. Marx (ed.), *Elements of Public Administration*, New Delhi: Prentice Hall, p. 151.
22. Chester Barnard, 1948, *Organisation and Management*, Cambridge, UK: Harvard University Press, p. 85.
23. Millett, *op. cit.*, pp. 33-34.
24. Felix A. Nigro, 1965, *Modern Public Administration*, New York: Harper and Row, p. 188.
25. Dalton E. McFarland, 1965, *Management: Principles and Practices*, New York: Macmillan Co., p. 532.
26. Fred Luthans, 1977, *Organisational Behaviour*, New Delhi: McGraw-Hill, p. 216.
27. Fred Luthans, *op. cit.*, pp. 215-23.
28. Herman Roodman and Zelda Roodman, 1973, *Management by Communication*, Canada: Methuen Publications, pp 6-7.
29. *The New Encyclopaedia Britannica*, Volume 12, 15th edition, 1977, Chicago: The University of Chicago, p. 556.
30. See Om Prio Srivastava, 1991, *Public Administration and Management—The Broadening Horizons*, Volume 2, Bombay: Himalaya Publishing House, p. 73.
31. *Ibid.*
32. *The New Encyclopaedia Britannica*, *op. cit.*, pp. 556-61.
33. D. Ravindra Prasad, V. S. Prasad and P. Satyanarayana, *Administrative Thinkers*, 1989, New Delhi: Sterling Publisher, pp. 167-70.
34. *Ibid.*, p. 177.
35. *Ibid.*, p. 179.

# Structure of Organisation

---

## CHIEF EXECUTIVE

Chief executive refers to the person or body of persons at the head of the administrative system of a country. The administrative system of a country is like a pyramid, broad at the base and tapering towards the top, at the apex. The chief executive is at the apex of the administrative pyramid and occupies a central position in the country's administration.

In the private sector and other corporate undertakings, general manager is the chief executive of the organisation. Although a general manager is to carry out the policy decisions of the board of directors, but so far as administration of the organisation is concerned, it is his or her concern and is responsible for smooth and efficient running of the enterprise.

## Types of Chief Executive

Based on the varying systems of government, there are various types of the chief executive, for example, in a presidential system, the president is the chief executive, while in a parliamentary system there are two types of chief executives: the real chief executive and the nominal chief executive. In India the cabinet is the real chief executive and the president, the nominal chief executive. It is patterned on the British chief executive pattern wherein the king or queen is the nominal chief executive and the cabinet headed by the prime minister is the real chief executive. The same pattern exists in Pakistan and other parliamentary systems. Collegiate type of chief executive is another form of a parliamentary system. Broadly, following are the types of chief executive.

**President as chief executive:** In a presidential form of government, the president is the real chief executive. The president of the USA is an example of this type of chief executive. The main features of this



type of executive are: (a) The chief executive is elected for a fixed period, i.e., they enjoy a fixed tenure; (b) Legislature has no authority to propose or pass a vote of no-confidence against the chief executive; (c) The executive cannot dissolve the legislature; (d) The members of the executive are not taken from amongst the members of the legislature.

**Cabinet as chief executive:** In a cabinet or parliamentary form of government, cabinet is the real chief executive. This type of chief executive is also referred to as prime minister as chief executive. Indian and British cabinets are examples of this type. Main features of cabinet type of chief executive are the following: (a) the executive is accountable to parliament, which can remove it from the office before the completion of its term. Parliament can pass a vote of no confidence against the executive; (b) the chief executive can dissolve the parliament before the completion of its term; (c) members of the executive are taken from among the members of the parliament; (d) there is close and intimate executive–legislative relationship.

**Collegiate-Type of chief executive:** The Swiss executive is a collegiate type of chief executive. It embodies features of both the types discussed above. The executive council of Switzerland is a plural body of seven members. All are equal in status. All the seven executive councillors have their seats in parliament. The Swiss executive council is elected for a fixed period during which it cannot be voted out. However, the executive council is accountable to the parliament but latter's disapproval of any executive policy does not amount to legislature's no-confidence in the executive. The national executive cannot dissolve the legislature. The collegiate type thus retains the principal features of both the parliamentary and the presidential systems.

## FUNCTIONS OF THE CHIEF EXECUTIVE

The chief executive is the central authority and is the centre of administrative activities. The chief executive has a dual role to play and performs two types of functions, political and administrative.

### Political Functions

In their capacity as political leaders, they are to muster legislative support for their policies and programmes. They shape and reshape the policies of the nation, and provide leadership to the nation. Their political functions are very important. No chief executive can afford to neglect these except at the risk of losing office.

### Administrative Functions

The chief executive is the administrator. He or she controls the entire administrative setup. Luther Gulick's POSDCORB describes the administrative functions of the chief executive. These are: planning, organising, staffing, directing, coordinating, reporting and budgeting.<sup>1</sup> M. Dimock describes these functions in one sentence, 'He is a trouble shooter, a supervisor and a promoter of the future programme.'<sup>2</sup>

The administrative functions of the chief executive may be broadly discussed as below:

## Deciding Administrative Policy

The chief executive decides the administrative policy to be pursued for the achievement of goals of the government. The administrative policy, according to E. M. Gladden, refers to the form in which the ministerial administrator or board carries the will of the government into effect.

## Authorising Details of Organisation

The chief executive authorises the structure of organisation through which the administration functions. The chief executive may create new departments, bureaus, divisions, etc., and may reorganise the existing ones. The chief executive also decides on other forms of organisation, some of which may be created with the approval of the legislature. Though in presidential government, powers of the president are quite limited in the matter of organisation, yet he or she can create or abolish smaller agencies and transfer them from one department to another.

## Coordination

Coordination is another important function of the chief executive. Conflicts and differences among different officials and different agencies and levels of organisation do emerge. The chief executive is responsible for eliminating duplicity, overlapping, conflict and friction, if any. They also see to it that there is proper cooperation and teamwork among various units and officials. Such problems are, no doubt, tackled at all levels, but some of these do reach the chief executive for settlement. Bringing about coordination among the top echelons of administration is the sole concern of the chief executive.

## Issuing Directions

The chief executive issues a number of directions to various heads of departments and other officials. It is the responsibility of administrative heads to give effect to these directions.

## Selection and Removal of Personnel

The chief executive is to select a number of public officials. In some cases, they have the power to remove public officials. The scope of this power of the chief executive is not same in all the countries. It varies from country to country. The key appointments in India are made at the instance of the chief executive, for example, the governors, ambassadors, judges of the Supreme Court and High Courts are appointed by the chief executive. The chief executive can remove governors and recall an ambassador at their discretion. In the USA, the president wields greater power in appointing personnel, though in some cases subject to senatorial confirmation.

## Control of Financial Administration

The chief executive plays a key role in financial administration. In a parliamentary system the chief executive enjoys wide authority. They get the budget prepared and give approval to various programmes and schemes and to taxation policy before submitting it for parliament's approval. The execution of budget

is also the responsibility of the chief executive as the legislature authorises the executive to collect and appropriate finances. The chief executive also has to control the budget in order to see that taxes are collected and funds are appropriated strictly in accordance with the legislative authorisation.

In the USA, the president is the chief of the Bureau of Budget which frames the budget and then it is handed over to the Congress for its passage.

## **Supervision and Investigation**

The chief executive is to supervise the whole administration. They give necessary instructions and may warn public officials if the work is not being done properly. The chief executive's supervising public officials keeps them alert and responsive. The chief executive can also make inquiries to investigate any administrative matter. They can set up commissions or committees for the purpose. Generally, such commissions or committees are appointed when there are complaints of serious irregularities or misappropriation of funds by public officials.

## **Public Relations**

Public relations are another important function of the chief executive. Since public administration is ultimately responsible to the public, it is always necessary to keep the people informed about the nature and purpose of activities undertaken by the administration. The chief executive undertakes this task to inform the people. They take the help of the print and electronic media and make use of other forms. Their address to the nation, to the parliament, press conferences, public meetings are channels of reaching the people. Public relations help the chief executive to remove misunderstandings of the people, if any, about any action, activity or move of the administration.

The role of the chief executive is of primary importance. They carry out their task with the help of a number of subordinates, upon whom they must rely. These subordinates, in fact, act as a 'filter and funnel'. Only the important issues and problems await the executive's personal attention. The success of administration, to a great extent, rests upon the executive's calibre and ability.

## **LINE, STAFF AND AUXILIARY AGENCIES**

### **Line Agencies**

The principal agencies which are organised on the basis of major substantive purposes, and are concerned with the provision of services for the people, or regulating their conduct in particular fields are termed 'line agencies'. They are concerned with the primary object for which government exists. Nigro defines line services as 'those activities which are substantive or direct in their contribution to the administration's objectives. Louis Allen conceives them as 'those positions and elements of the organisation which have responsibility and authority and are accountable for accomplishment of primary objectives.' For example, the primary objective of the Department of Home Affairs is to maintain peace and order in the country.

The line agencies must give consideration to suggestions made by the staff agencies. However, in case of conflict, the line manager has the right to make final operating decisions. The line is also considered as a chain of command and can also be regarded as a means of communication between members of the organisation. Finally, the line is also conceived as a carrier of accountability. Identification of the line

elements within the organisation is a means of establishing what positions and functions are accountable for end results.

In this age of specialisation every organisation including department of the government is obliged to provide for staff and auxiliary agencies to enable the line agencies to achieve their objectives with efficiency and economy.

## Staff Agencies

The term 'staff agency' has been borrowed from military terminology. As the growth of armies became complex, the field commanders who were engaged in the task of actual fighting felt the need for specialised services which led to the formation of general staff with subsidiary staff agencies under them. These agencies were assigned the functions of making available to the fighting forces food, hospital services, armoured ammunition, etc. Similar agencies are needed in a public administration also. The chief executive of an organisation has to perform different types of functions, for the efficient execution of which they need expert advice on matters, especially of a technical nature.

Willoughby points out that this advice reliance cannot be placed entirely upon the officers subordinate to the head of the service because these officers may not have the requisite amount of time, ability and expertise. Special organisations are, therefore, needed to act as the technical adviser to the head of the service. These special organisations are designated as 'staff agencies'. Their function is exclusively of research, consultative and advisory character. They possess no power to give orders. Similarly, Louis Allen defines staff elements as 'those which have responsibility and authority for providing advice and service to the line in the attainment of objectives'.

## Functions of Staff Agencies

L. D. White summarises main functions of staff agencies as the following: (a) To ensure that the chief executive (and other officials at the top) are adequately and correctly informed; (b) to assist them in foreseeing problems and planning future programmes; (c) to ensure that matters for their decision reach their desk promptly, in condition to be settled intelligently and without delay, and to protect them against hasty or ill-considered judgements; (d) to exclude every matter that can be settled elsewhere in the system; (e) to protect their time; and (f) to secure means of ensuring compliance by subordinates with established policy and executive direction.

Pfiffner briefly describes these functions as the following: (a) Advising, teaching and consultation; (b) coordination not merely through plans but also through human contacts; (c) fact-finding and research; (d) planning; (e) contact and liaison; (f) assisting the line; and (g) sometimes exercising delegated authority from the line-commander.

Thus, the main functions of the staff agency are to furnish to the executive all relevant information regarding the case, to put it up at the proper time and to offer its own advice on the matter, but not to go beyond that. The staff agency stands outside the main line of administrative hierarchy. Its function is not to command but to advise. It is not a part of the main executive but only, if we may so call, an adjunct to it.

## Kinds of Staff Agencies

Pfiffner has classified staff agencies as (a) general staff, (b) technical staff and (c) auxiliary staff. The general staff helps the chief executive in administrative work generally by collecting information, by research, by

sifting the information received so that it acts as 'filter and a funnel' to the executive. Like a funnel, it receives all business intended for the chief executive, but ensures that what passes to him are only the issues essential to decision making. The functions of the general staff are of an administrative kind and do not require a very high degree of technical skill or knowledge. The technical staff consists of specialists who advise the chief executive on technical matters, for example, engineers and financial experts. The auxiliary staff consists of those units which perform certain duties and functions to meet the material demands of other departments.

## Qualities of a Staff Officer

In view of the fact that the main duties of staff officers are to advise, assist and suggest rather than to operate, they require the qualities of an expert and not of an administrator. They must have a sound general knowledge of the entire administration and not expert knowledge of any particular department only; they should have a capacity to negotiate rather than command and they should prefer to work from behind the curtain. Their function is to advise and withdraw so as to give the executive sufficient time to make a decision. Lastly, they should be willing to accept the decision of the executive. It is not their prerogative to see that the executive accept their advice. Their advisory role should not be affected even if the executive does not accept their advice.

## Some Examples of Staff Agencies in Various Countries

In the USA, the Office of Management and Budget acts as a staff agency to the president. It advises the president in the preparation of the budget and matters allied to it. In the UK, the British Treasury has been rightly called as a 'department of departments' because it is not only in charge of the important branch of finance but also a supra-department for setting standards and norms for the entire public service. In India, the staff agencies in the central government are the prime minister's secretariat, cabinet secretariat, cabinet committees, Planning Commission, Department of Economic Affairs, Ministry of Finance, Administrative Vigilance Commission of Ministry of Home Affairs, Administrative Reforms Commission, etc.

## Distinction Between Line and Staff Agencies

Line and staff agencies differ in the following respects: (a) Whereas the 'line agencies' are meant to accomplish the purpose for which they exist and, as such, are an end in themselves, the staff agencies exist to help the 'line agencies' and hence are a means to an end; (b) line agencies come in direct contact with the people whereas staff agencies remain behind the curtain; (c) line agencies are executive agencies, staff agencies are advisory and consultative agencies; (d) line agencies issue orders 'down the line' whereas staff agencies have no powers to send such orders, and they merely contribute specialised advice to those responsible for main executive duties.

In spite of the distinction between the line and staff agencies, they are inextricably interlinked in practice. Sometimes, it becomes extremely difficult, nay impossible, to draw a line between the two. It can be said that there is no other single area of management which in practice causes more difficulties, more friction and more loss of time and effectiveness. Many scholars and practitioners of management do not even attempt to clarify a line and staff concept.

It would, for example, be difficult to define clearly the finance and education ministries under the Government of India either as purely staff or as line agencies, because broadly speaking, they fulfil both the functions. In so far as the education ministry administers and executes the policy, it is a line agency, but in so far as it advises on the formulation of educational policies, it performs a staff function.

Moreover, it may be observed that 'staff officers possess 'line' authority within their own departments. For example, the chairman of Planning Commission and not the chief executive has 'line' responsibility for the work of secretary and clerks. Similarly, the manager of a Government Printing and Stationery, and not the general manager, has the 'line' responsibility for the work of copy writers, artists, layout men and foremen.

## AUXILIARY AGENCIES

Willoughby calls the auxiliary agencies as 'institutional' or 'housekeeping' services. Gaus names them 'auxiliary technical staff services'. L. D. White prefers to use the term 'auxiliary services'.

Auxiliary agencies are the agencies which do not serve the public but the line agencies. They perform functions common to all the departments. A line agency in order to perform the primary duties for which it exists must provide itself with and maintain a plant; establish and operate a system for the recruitment of its personnel; perform the work entailed in contracting, purchasing, storing and issue of supplies; and maintain a system for keeping of accounts. In the recent past, each department performed these functions separately, i.e., they kept their own accounts, handled their own funds, purchased all their supplies and equipment and made their own contracts. But today with specialisation of functions in public administration it has become necessary to organise these functions under separate agencies called auxiliary agencies.

The advantage of the auxiliary agencies are as following: (a) The officers in line agencies responsible for primary activities are relieved of the duties not directly pertaining to the performance of such activities, and thus will be in a position to devote themselves exclusively to their duties; (b) This system requires specialisation of functions and it is but desirable that if they are to be effectively performed, they should be put under the charge of persons who are experts in those fields; (c) It secures economy in administration as it avoids duplicity of work. A single auxiliary agency does a particular work common to all the departments and thus saves time and money, for example, the printing and stationery department does all the printing work for all the departments; (d) It will have the advantage of increased scope of operations and reduced unit costs, such as in large scale purchasing, common godowns, etc.

Auxiliary agencies have the following disadvantages: (a) The establishment of auxiliary agencies means 'tearing the department' which tends to weaken the responsibility of the 'line' agencies; (b) The auxiliary agencies may make encroachments upon the responsibilities of the line agencies and thus conflict may ensue between them; (c) The auxiliary agencies tend to consider their mission superior to the objects sought by the line agencies and to subordinate questions of welfare to economy or mere symmetry.

Sometimes undue delay results in getting the required services or goods on account of long negotiations with the auxiliary agencies. The dangers inherent in auxiliary agencies have been well stated by Willard N. Hogan. He argued that the system resulted in a division of authority and responsibility that the auxiliary agencies had pushed beyond their limit of usefulness: that they had evolved into a position to hinder and harass executive policies and decisions.

Despite these disadvantages auxiliary agencies have become a *sine qua non* of executive leadership and administrative integration. It would be impossible to carry on the business of any large jurisdiction without

them. Moreover, there are clear gains in the direction of economy due both to a large scale common operation and to the accumulated experience of experts specialising in the various management fields. On the other hand, that the management services can handicap the line agencies by 'empire building' on their own account is beyond doubt; this is a risk to meet which requires not only internal restraint on their part but 'a firm hand on the part of the chief executive whom they serve.'

## **Distinction Between Auxiliary Agencies and Line Agencies**

It has been explained earlier that line agencies are those which perform services in order to accomplish the purposes for which the government exists but auxiliary agencies are those which perform the service in order that 'line' agencies may exist and operate as a service. The points of difference between the two are as following: (a) Line activities are an end in themselves, while the auxiliary activities are means to that end. (b) Auxiliary agencies under no circumstances perform services for or enforce regulations upon the public. (c) Line activities, being an end in themselves, are represented by a product in the form of work performed. There the question of economy does not arise. But in the case of auxiliary activities economy is the first and foremost consideration. (d) The efficiency and success of 'line agencies' depend upon the proper performance of activities by auxiliary agencies. For instance, the success of administration depends upon what type of employees the public service commission selects. Similarly, if these agencies do not function with speed and efficiency, there would be delay and inefficiency in line agencies as well. (e) In case of 'line agencies', the problem of organisation and procedure differ in each case while in the case of auxiliary agencies the problems are always similar, for example, the organisation and procedure in the foreign affairs, department have to be of a different type from those of the education department.

## **Distinction Between Auxiliary Agencies and Staff Agencies**

The auxiliary agencies are those which perform operating services, for example, purchase of material, recruitment of personnel, maintenance of accounts, storing and issue of supplies, etc. But staff agencies are only thinking, observing, planning and advising agencies. They do not perform any so-called operating services but merely advise the executive when such an advice is sought for.

Secondly, auxiliary agencies are concerned with the maintenance of the existing departments and their activities and do not deal with policies. On the other hand, the staff agencies concern themselves with the reforms in the organisation and methods of departments. They suggest improvements in the existing policies and plan for the future, for example, the Planning Commission in India is very closely concerned with the economic policy of the government. It advises the government on future planning and suggests ways and means to find revenue to meet the needs of planning. Similarly, the Central Advisory Board of Education advises the government on educational matters. The auxiliary agencies do not perform any such type of advisory functions. The two agencies are similar in one respect only, i.e., both of them exist to facilitate and help the line agencies in the performance of the primary duties.

## **Department**

The department is the traditional pattern of administrative organisation. The chief characteristic of the departmental organisation is its complete subordination to the chief executive. Neither the department nor

any of its sub units can claim any degree of autonomy or authority in their own right; whatever authority belongs to them comes from the executive through delegation.

Departments are set up on the basis of the four 'Ps': (a) function or purpose, (b) process, (c) clientele or persons, (d) area or place.

Departments of defence, external affairs, railways, posts and telegraph, education, health, transports, social security etc., are based on function—the major purpose to be achieved or the service to be rendered.

Departments of engineering, accounting, stenography, medical care, legal advice, etc., are examples where the processes are based on technique or primary skill more or less of a specialised kind.

It is not easy to distinguish between a function and a process. For example, finance may appear to be a process if we consider the special kind of skill required in its management, but may also seem to be a function if we consider that fiscal management is one of the crucial purposes of any administrative organisation. Similarly, a public works department appears to be based on the process or skill of engineering but it would be equally true to say that it centres round a single purpose or function, i.e., construction of works.

Departments of Rehabilitation and Tribal Welfare in India are based on clientele—the body of persons to be served; the former department caters to the needs of the refugees and the latter to the welfare of the tribal people. In the USA, the Indian Affairs office looks after the welfare of the native Americans and the Veteran Administration office deals with the problems of war veterans.

Area or territory sometimes serves as the basis for the organisation of certain departments. The department of external affairs dealing with the British Commonwealth as well as other nations is organised on the basis of the geographical areas it covers. For example, it has sections that deal with the African, American, Middle East, Far Eastern, South East Asian and European countries. The police departments in the states are also organised on the basis of a number of geographical ranges or circles, into which the state is divided. The Indian Railway administration is also organised on the basis of zones.

It may be noted that no organisation entirely rests on any of the aforementioned 'Four Ps' basis. In practice, every department makes use of several of these bases at different levels of organisation. The exercise depends on several factors such as existing practices, practical conveniences, a new experiment etc., as to which basis of organisation of a department should be selected.

## PUBLIC ENTERPRISES

Public enterprises have become a universal phenomenon. Not to speak of communist countries including the erstwhile Soviet Russia where the public sector is all pervasive, but even in the United States which is a capitalist country, there are certain projects owned and operated by the government. In developing countries, public sector occupies a pivotal role in their economic strategy. In fact, these countries may find it difficult to entrust the fulfilment of long term objectives to the private enterprises as such. A public enterprise is an agency of the government through which the government manages its commercial and economic activities. According to A. H. Hanson, public enterprises mean state ownership and operation of industrial, agricultural, financial and commercial undertakings. In the words of S. S. Khera,

[B]y public enterprises is meant the industrial, commercial and economic activities carried on by the central Government or by a State Government or jointly by the Centre Government and a State Government and in each case either solely or in association with private enterprises, so long as, it is managed by a self-contained management.



*Encyclopaedia Britannica* defines public enterprises as an undertaking that is owned by a national, state or local government, supplies services or goods at a price and is operated in a more or less self-supporting basis. Such enterprises may also be international, inter-state or inter-municipal in character, i.e., owned and operated jointly by two or more national, state or local governments.

It may be noted that the terms 'public sector' and 'public enterprises' are used interchangeably in contrast with the term 'private sector'. However, the two terms differ in their connotations. The term 'public sector' is used in two senses, broad and specific. In its broad sense it covers all activities of the government, economic or non-economic, undertaken by the government individually, collectively or jointly along with the initiative of private sector. In a more specific sense, the term 'public sector' includes only economic activities of the government and this covers the departmental undertakings of the central government like railways, post and telegraph, defence, etc. The State enterprises like electricity generation and distribution and transport activities, and the central public sector enterprises, which covers a vast gamut of industrial, commercial and trading activities. It is the last group of enterprises which constitutes the core of public sector development in our country. The Bureau of Public Enterprises, Government of India, has used the term in this sense.

Public enterprises, on the other hand, are known for the economic activities including industrial, economic, trading, banking etc., for which the government (a) provides the capital either singly from public resources or jointly with private sector; (b) provides the structure, content and control of the management and (c) bears all the profits or loss singly or jointly with private owners in the ratio of capital contributions.

## Forms of Public Enterprises

In what form a public enterprise should be organised and managed depends upon the particular requirements of that undertaking. In India, there is a multi-pattern growth of public sector enterprises. The main organisational patterns are: departmental, semi-departmental, public corporations, companies operating contract.

**The departmental management:** The oldest or the traditional form of public enterprise is the departmental form. The railways, post and telegraph services, Integral Coach Factory at Perambur, Diesel Components Works (DCW) at Patiala, Ordnance factories and some other public utility services are organised and managed as departments of the Government of India. They are not much different from a regular government department.

The main characteristics of this form of organisation are as following: (a) It is a strictly hierarchical organisation at whose head is a minister answerable to the cabinet and Parliament for its activities. (b) The administration of the department is largely on the basis of civil service rules, as they apply to other civil servants. (c) The finances are drawn from the Government treasury with the consent of the Parliament and all or a major share of its revenues are paid into the treasury. (d) The enterprise is subject to the budget, accounting and audit controls applicable to other government activities. (e) As it has no separate legal identity it is immune from legal proceedings. (f) It can be created by an ordinary executive order.

Departmental form is best suited for those activities which concern a large number of people or the whole population, for example, the public utility services and the defence services. They are also held desirable for those services which require greater public accountability. A close relationship with other parts of the government is another advantage of this type of setup.

**Weaknesses of the departmental system:** The main defect in this form of organisation is that due to the rigidity of rules and regulations there are bound to be delays and red-tape as is the characteristic

of other government department. There is always a fear that its policies will undergo a change with ministers. It is also argued that it tends to raise the powers of the government. It involves too much centralisation and inadequate delegation of power. Another weakness of the departmental pattern is that too much of control in the form of ministerial accountability; parliamentary and budgetary control curbs the initiative of the workers and also reduces flexibility. The departmentally managed enterprises are also feared to be used as a tool of party politics. They are exposed to the danger of reckless adventure in order to strengthen and stabilise the ruling party's position, particularly when its power is at stake. Another major drawback of this form of enterprise is that they tend to be run as other government departments. It hurts the enterprise because it is essential that some difference needs to be made between an ordinary government department and a departmental enterprise providing certain commercial service. Business proficiency is a must for any public undertaking which lacks considerably in departmentally managed enterprises. Keeping in view these shortcomings A. D. Gorwala pointed out, 'Departmental management must be the rare exception, not the general rule.'

**Semi-departmental form:** In a semi-departmental undertaking, the management of the enterprise is entrusted to a board of inter-departmental committee. The board consists of representatives of all those ministries concerned with the enterprise or those who are to be consulted in drawing up a plan or framing any policy or taking major decisions. So far as other characteristics are concerned there is no basic difference between departmental and semi-departmental forms. They are also subject to all sorts of government controls and are organised in more or less similar manner. But the constitution of boards provides them considerable autonomy and flexibility in internal working. With this end in view many powers were delegated to the railway administration for which a board was set up. The Railway Board exercises enormous powers relating to various activities concerning the enterprise. It has full powers of framing policy and its execution. But due to enormous controls exercised by the government in the form of budget, auditing and above all parliamentary control, they also suffer from weaknesses similar to those of departments.

**Public corporations:** For the efficient working of an enterprise it is necessary that it should be provided with sufficient autonomy in its internal day to day working. But for a public enterprise which is set up to perform certain public function, it is also essential that its activities are considerably controlled. The corporate form of public undertakings presents a desired blend of these two important requirements. In India the corporations are increasingly recognised as the best forms of public enterprises. Some of the important corporations at the central level that provide public utility services to a large number of people are the Life Insurance Corporation, Food Corporation, Industrial Finance Corporation, Damodar Valley Corporation, Oil and Natural Gas Commission, Indian Airlines Corporation and so on.

The important characteristics of a corporate form of public undertaking are as following:

(a) It is wholly owned by the state. (b) It is created by a special law passed in the Parliament or state legislature, as the case may be, which defines its objectives. The law also provides for the demarcation of powers and privileges between government and the managing board of the corporation and the relations that will subsist between them. (c) It is a body corporate and thus has separate legal identity. Hence, it can sue or be sued in any court of law, enter into contracts and acquire property in its own name. (d) It is independently financed. It creates its own fund by borrowing from government or public and through revenues from sales. It also has the authority to use its revenue as it deems fit. (e) It is not subject to governmental budget, accounting and audit procedures. It can have its own auditors. (f) The employees of the corporation are its own and not civil servants. Hence, government regulations relating to service do not apply to

them. (g) There is no parliamentary control over its day-to-day activities. It is limited to the broad policy which is incorporated in the statute.

## Advantages of Corporations

Corporation system is considered as one of the most important innovations in political organisation and constitutional practice. A number of advantages are said to accrue from this type of public undertaking.

(a) It takes the purely business and technical services of the government outside the domain of politics. It means that decision in respect of business activities would be made by a body selected on the basis of merit and not of politics. This will increase efficiency and result in economy.

(b) A public corporation exercises its duties continuously and with a freedom of action whereas the departments have to depend considerably on legislatures who do not have sufficient time to devote to the affairs of such public service. Moreover, action once taken by it can be modified only by passing a fresh law after great labour and delay. Under the circumstances quick action is not possible and the system becomes rigid. The public corporation, on the other hand, is in continuous session and can reach prompt decision. Moreover, the corporation as it consists of expert and non-political men can take better decisions than the legislature—a body of political and laymen.

(c) The creation of public corporation for the revenue producing services would relieve these services from the operations of administrative orders which prescribe in great details the procedure with regard to purchase, accounting, contracting, etc. The corporation builds up its own administrative system which suits its own needs.

(d) The corporation system will offer immediate relief to the legislature from the burden of considering the details of organisation, powers, functions, method of work etc., of these services. This relief will manifest itself especially in respect of the annually recurring necessity of considering in detail the appropriations that shall be voted for the support of the government. Under the corporation system the greater part of this burden will be performed by the board of directors of the corporations. Each corporation would have a separate budget prepared by the directing administrative staff of the corporation and submitted to the board of directors. The latter will submit it to the legislature through the Ministry of Finance. Finally, under the corporation system the employees of the service will have an incentive to economy and efficiency. They know that the benefits resulting from increased economy in expenditure and from increased revenue will come directly to the service instead of going to the general treasury. This will promote the development of an esprit de corps and interest in the employees.

## Problems of Public Corporation

On account of numerous advantages the public corporation system is gaining more and more ground in various countries, but in spite of its advantages, the system presents a number of vexed problems. These problems are mainly three, namely, (a) the problem of responsibility towards the legislature, (b) the problem of protection and representation of consumers' interest and (c) the problem of labour welfare. We shall consider each problem separately.

**The problem of legislative responsibility:** As already described, public corporation is an autonomous body created by an Act of the legislature. It enjoys freedom to a great extent in both financial and administrative matters. It draws its own plans and programmes and executes them in the way which it

thinks most appropriate. Therefore, the problem always remains as to how to safeguard national interest without encroaching upon the administrative independence of the corporation and usurping their managerial responsibility. Under the usual parliamentary procedure the legislature, as the representative of people's interest, exercises control over the administration through the minister. But this type of control is not available in the case of public corporation as it is not under the administrative control of the minister, but is an autonomous body in matters of administration, recruiting its own personnel and adopting its own methods of working.

The relationship between the minister and the corporation can be defined in these words: matters of policy for the minister and matters of daily affairs for the corporation. But it is not a simple task to define the term 'matters of policy' and 'matters of daily affairs'. Any convenient line between the two is difficult to draw.

In the words of A. H. Hanson,

As an administrator knows, the process of policy formulation takes place at a number of different levels and therefore, it becomes almost impossible to say where the 'general' ends and the 'day-to-day' begins. General principles of policy are not always specifically formulated at the highest level, but may quite often arise from a host of small decisions of the day-to-day order, which collectively constitute something of genuine public importance.

A command can only be relatively more general or more particular than another. Sometimes the so-called small matters may involve such important principles as might demand the direct attention of the legislature.

**Problem of safeguarding consumers' interests:** Public corporations are not an end in themselves but an extension of the government's activities designed to promote public welfare. The question is how the interests of consumers can be safeguarded when a private company is allowed to carry on life insurance business since the establishment of the Life Insurance Corporation. The Tennessee Valley Authority in the USA owes the sole responsibility for dealing with the resources clearly fixed in the regional agency. Hence, it is necessary that the interests of the consumers should be represented in matters of fixing up prices and quality of goods. This consumer's representation is, however, missing which sometimes leads to consumers' discontent towards such public undertakings. The Administrative Reforms Commission in this regard suggested that:

(a) Consumers' consultative councils should be set up in each sector of public enterprise. These councils should consist of representatives of organised bodies of consumers concerned with the products of the undertakings, the controlling ministry, the sector corporation concerned, and other interested government departments and public undertakings.

(b) Parliament may elect two members to serve on each of these councils.

(c) The councils should deal with matters involving the interest of the consumers and further advise the government or sector corporation on such matters as may be referred to them by the latter.

The government did not accept this recommendation. It was of the view that there is no need to set up consumer consultative organisations or high power standing committees for settling disputes in respect of prices charged by public enterprises.

**Problem of safeguarding labour interests:** The need for safeguarding the interests of the labourers is as important as those of the consumers. The best means so far devised is to give the labourers a share in management. Their representatives advise in matters of fixing wages, hours of work, leave rules, holidays, amenities for life, insurance against casualties and other conditions of work. In addition to a share in management, labour tribunals are established to settle the dispute arising between the management and the labourers. The tribunals include equal number of representatives of the labourers and management with a chairman appointed from among the judges of a High Court.

There has been a good deal of unrest among the workers in the public sector plants in India. This is especially problematic in view of the fact that public sector enterprises have got to be 'model employers' setting example for the private sector. With the setting up of the Joint Management Councils and Workers' Education Programmes, it is hoped that the position shall considerably improve.

In India, public corporations are autonomous only in name; actually they are regarded as government departments. The Estimates Committee of the first Lok Sabha in its sixteenth report observed that in the relations between these undertakings and the ministry, the former are treated in the same manner as departments and offices of government controlled and supervised by the secretariat. The committee was of the view that the State undertakings have thus become adjuncts to ministries and are treated more or less on the same lines as any subordinate organisation or office. This tendency has had a harmful effect on the productive policy, the procedural delays common to a government department with serious consequential effect on production. What is still worse is that the minister does not issue any directive in writing but tries to influence the Board from the back-door method. In order to save themselves from the responsibility, they influence the members of the board by informal consultations and advice.

The following recommendations made by M. C. Chagla for the future guidance and efficient administration of public corporations deserve consideration.

- (a) The government should not interfere with the working of autonomous statutory corporations that if they wish to interfere they should not shirk the responsibility of giving directions in writing;
- (b) The chairmen of corporations like the LIC that deal with investments, should be appointed from among the persons who have business or financial experience and who are familiar with the ways of the stock exchange;
- (c) If executive officers of corporations are to be appointed from the civil services, it should be impressed upon them that they owe a duty and loyalty to the corporation and that they should not permit themselves to be influenced by senior officials of government or surrender their judgement to them. If they feel that they are bound to obey the orders of these officials they must insist on these orders being in writing.
- (d) In a parliamentary form of government, the parliament must be taken into confidence by the ministers at the earliest stage, and all relevant facts and materials must be placed before it. This would avoid difficulties and embarrassments being caused at a later stage when the parliament gets the necessary information from other sources. Government corporations are destined to play a significant role in the future. Due to lack of experience and non-availability of technical staff, mistakes might have been made in the past by Indian corporations but that need not discourage the future corporations. It is hoped that with time, the necessary experience will be acquired and corporations will flourish.

**The company pattern:** Another common form of public enterprise is the company. This form of organisation can also associate private enterprise, national or foreign. Thus, from the organisational points of view a company can be regarded as a mixed enterprise as it comprises both public and private interests. A company postulates cooperation between the public and private sectors, both in ownership and management on one hand, and provides for a much greater degree of flexibility, initiative and unity of action on the other. The important features of a public company are:

- (a) It is established and governed by the Indian Companies Act, 1956. There is no separate enactment for each company.
- (b) Every company has its own Memoranda and Articles of Association which are drawn up by the government.
- (c) Either whole or at least 51 per cent of the share capital is held by the government (central), state or states as the case may be.
- (d) It is free from rigid financial control of the legislature. Its funds are provided by the government but it can retain the revenue derived from sales of its goods and services.
- (e) A company bears a separate entity for legal purposes. It can sue and be sued in a court of law, enter into contracts and acquire property in its own name.
- (f) The personnel of the company are not civil servants but the employees of the company itself.
- (g) The management of a company is entrusted to a board of directors. The majority of them are appointed by the government depending on its share of capital.
- (h) It is not subject to government budget, accounting and audit control.
- (i) It is also free from direct parliamentary control and works more autonomously than the other forms of public enterprises.

The company form is considered more advantageous than others due to many factors. The most important aspect is its autonomy and flexibility which is necessary for any commercial concern to run efficiently and effectively. As there is no need for a separate enactment and it can be created by a company executive order, the government can conveniently enter in an industrial field by acquiring shares in private companies. The government sometimes also acquires shares of an existing private enterprise if there is a financial crisis in it. The government may also do so in order to maintain a service which is important from the point of the view of country, and which has become unprofitable or insolvent under private enterprise. The company form is also held desirable as it makes available to the government the managerial skill and technical knowledge of the private industry. On the other hand the private industry can also make use of the innovation made by the government enterprises.

**Weakness of the public companies:** Though the companies are said to enjoy considerable autonomy in their working, but in actual practice, its autonomy is more a myth than reality. The undefined and unrestricted powers exercised by the concerned government departments have made these industries more adjuncts to the ministers and treated more or less like subordinate offices of the ministry. The management boards are dominated by officials who are representatives of the government in their ex-officio capacity. These officials change frequently and thus the company is unable to draw consistent action which affects its efficiency.

In India most of the public enterprises are organised in company form, both at the centre as well as in states. For example, Bharat Electronics Ltd., Hindustan Cables Ltd., Sindri Fertilizers and Chemicals Ltd., etc., are central government owned public companies. In states, except a few all public enterprises are in the private limited form.

Though the majority of government enterprises today are in the company form but ever since the announcement of the Industrial Policy Resolution of 1948 the government envisaged to develop public enterprises in the form of public corporations. Here the recommendations made by the Administrative Reforms Commission deserve consideration.

## PUBLIC SECTOR

Growth with social justice and equity has been the central theme of our nation-planning ever since Independence. The directive principles of state policy, the successive five year plans and the industrial policy resolution spell out the policy framework, strategies, plans and priorities to realise these objectives. Over the years, the role of the public sector has been defined by the concept of socio-economic development built into the five year plans and the policy framework enunciated in the industrial policy resolution from time to time.

While the Industrial Policy Resolution of 1948 stressed the need for the state to play a progressive role in the development of industries and gave the public and private sector complementary roles in promoting industrial development, the First Five Year Plan indicated the need for rapid expansion of the economic and social responsibilities of the state.

Against the background of the resolution of Parliament seeking to establish a socialist pattern of society as the main objective of our economic policy, the Second Five Year Plan envisaged rapid expansion of the public sector and a dominant role for it in shaping the entire pattern of investment in the economy.

The Industrial Policy Resolution of 1956 clearly spelt out the policy framework for the development of industry and firmly established the dominant role of the public sector. Thus, it is essential to accelerate the rate of economic growth and to speed up industrialisation and in particular, to develop heavy industries and machine making industries to expand the public sector and to build up a large and growing cooperative sector.

These provide the economic foundations for increasing opportunities of gainful employment and improving living standards and working conditions of the mass of the people. Equally, it is urgent to reduce disparities in income and wealth which exist today, to prevent private monopolies and concentration of economic power in different fields in the hands of small number of individuals. Accordingly, the state would progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for development of transport facilities. The adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid development requires that all industries of basic and strategic importance or public utility services should be in the public sector. Other industries which are essential and require investment on a scale which only the state in present circumstances could provide have also to be in the public sector. The state has, therefore, to assume direct responsibility for the future development of industries over a wider area.

The Industrial Policy Resolution of 1956 itself classified industries into three categories on the basis of the role which the state would play in each of them. The first category of seventeen industries was exclusively reserved for the state. While the second category consisted of those industries which would be pro-



gressively state owned and in which the initiative for establishing new units was vested with the state. The third category was left open to the private sector. Over the years, reflecting the changing socioeconomic and political perceptions of the development strategy, the industrial policy and procedures underwent modifications.

While the Industrial Policy Statement of 1973 identified high priority industries in which investment from large industrial houses and foreign companies would be permitted, the Policy Statement of 1977 placed emphasis on decentralisation and the role of small scale and cottage industries. The Industrial Policy Statement of 1980 laid the foundation for an increasingly competitive export base and emphasised the need for promoting competition in the domestic market. However, these changes did not substantially affect the role of the public sector as was originally envisaged in the Policy Statement of 1956 and its basic objectives continued to be the following:

- To build infrastructure for economic development and promote rapid economic growth and industrialisation of the country.
- To create a self-reliant economy through the development of local industries.
- To generate resources for development by earning suitable returns; and finally,
- To prevent/reduce concentration of private economic power.

Keeping in tune with the policy enunciated in the Industrial Policy Resolution and the planning and investment strategy that flowed from them, the public sector saw phenomenal growth during the four decades, spanning seven five year plans from 1951–56 to 1985–90. During this period the investment in the public sector, covered under the Public Enterprises Survey, went up from Rs 29 crore in five units in 1951 to Rs 99,329 crore in 244 enterprises in 1990. Covering a wider range of products from consumer items to capital goods and frontier-technology goods, the public sector was indeed at the commanding heights of the national economy, contributing to the country's total production of petroleum, lignite, copper, communication equipment, nearly 100 per cent of coal and over 50 per cent of steel and aluminium. Together they employed 22.3 lakh persons contributed Rs 1,825 crore by way of taxes, duties and dividends to the exchequer and earned a net profit of Rs 3,781 crore.

At the same time, the initial euphoria over the public sector gradually gave way to grave scepticism on account of its many failures which manifested themselves over the years.

The momentous changes that took place in the global political and economic order towards the latter part of the 1980s and the early 1990s have had great impact on our development policy and planning in general and industrial policy, in particular. Consequently, the Industrial Policy Statement of 1991 brought far-reaching changes in industrial licensing, foreign investment, foreign technology agreement, public sector policy and the Monopolies and Restrictive Trade Practices Act. The exclusive reservation of industries for the public sector was drastically reduced from 17 industries to eight. At the same time, the general approach towards the public sector was reoriented and in consonance with the current development strategy the government decided to:

- Focus investment in public sector on strategic, hi-tech, and essential infrastructure;
- Being chronically sick public enterprises under the purview of the Board for Industrial and Financial Reconstruction;
- Disinvest a part of the government's share-holding in public enterprises for mobilising resources and encouraging public participation;



- Professionalise the boards of directors of public enterprises; and
- Bring about greater autonomy and accountability in the management of public enterprises through the Memoranda of Understanding (MoU) system.

Substantial investment in the public sector continued during the Eighth Five Year Plan and as on March 1996, the total investment in 243 public enterprises, covered under the Public Enterprises Survey, was to the tune of Rs 1,78,628 crore. The power sector accounted for 18.77 per cent of this massive investment followed by steel (12.89 per cent), financial services (12.47 per cent) and petroleum (11.64 per cent). During the year 1995–96 they together contributed Rs 32,096 crore by way of taxes, duties and dividends and earned a net profit of Rs 9,878 crore. Out of the 243 enterprises, 134 were profit making, while 101 were in the red. At the same time 36 industrial enterprises were registered with the Board of Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985. During the period 1991–92 to 1995–96, the government divested a part of its equity share holdings in 39 selected public enterprises, but continued majority share holdings in them.

The role of the government in the management of the public sector has been central to the discussions aimed at improving operational performance of the enterprises. Several attempts have been made for evolving appropriate policy guidelines for facilitating functional autonomy to the public enterprises while ensuring their accountability. The Performance Contract (PC) or MoU system was introduced in the context as an instrument for performance improvement. The MoU was sought to be an effective interface between the government and the management of an enterprise for ensuring operational autonomy with corresponding accountability for results, thus reducing day-to-day government interventions.

The MoU spelt out the mission objectives and targets to be achieved by an enterprise and evolved an effective and fair method of evaluating performance against pre-determined targets which flowed from the set objectives of an enterprise. By 1995–96, 104 enterprises signed MoUs. According to a general review conducted by the Department of Public Enterprises, the performance of enterprises signing MoUs has been comparatively better than that of others. However, expectation of distancing the government from the management of public enterprises through greater autonomy has not been fulfilled to the extent envisaged and the MoU system has generally turned out to be a one-sided contract.

## Performance of the Public Enterprises

Performance of the public sector so far has belied the hope that it would be an effective instrument for achieving the socioeconomic objectives which the country has set for itself. Over the years, notwithstanding a few examples of success, the performance of the public enterprises has not measured up to the expectations with which they were set up. The return on the colossal investment in them has been very low and their contribution to the growth of the economy through large-scale employment generation, development of backward areas and technology development has also not been very significant. The reasons for their poor performance have been many and varied and analysed *ad nauseam*. Bimal Jalan, who has been closely associated with our development planning over many years, outlines the main reasons for the decline of the public sector in his *India's Economic Policy*.

He states that while physical output and financial investments were expanding productivity and profitability of the public sector were declining for a variety of reasons. The government at the centre and in states became heavily involved not only in planning and guiding investment priorities, but in actually managing enterprises. Since most public sector enterprises operated as monopolies, without external or internal competition, there was no financial accountability or pressure to generate profits. The government

became the sole source of funds for investment and the sole arbiter of how public sector resources were to be used. The sector also became, overtime, the principal source of providing fully secure jobs at wages which were rising faster than elsewhere in the economy. A multiplicity of trade unions, owing allegiance to different political parties, emerged in different plants. This had the effect of further politicising the public sector and placing a discount on productive efficiency. As the sector became more politicised and more politically controlled, it also became financially unviable. Over the time, it acquired a multiplicity of roles, a provider of jobs, rescuer of sick enterprises, supplier of social services and a source of funds; the spread of political and administrative corruption was unavoidable. There were contracts to be awarded, technologies to be selected, supplies to be procured, services to be bought and managers to be appointed. The government through its ministers and administrators began intervening in all these decisions. Political and personal considerations became dominant factors in decision-making. Thus the public sector which was supposed to generate resources for the growth of the rest of the economy gradually became a net drain on the society as a whole.

Disinvestment of a part of the government's share holdings in public enterprises for mobilising resources and encouraging public participation was envisaged in the industrial policy of 1991. Taking into account continuing poor performance of many of the public enterprises and the failure of the reform measures so far to effectively ensure their functional autonomy without diluting their accountability for performances, of late, it has been persuasively argued that the government should steadily and systematically divest in share holdings in them and thus privatise the public enterprises. The collapse of the concept of central planning in the command and control regimes of several countries in the world, coupled with the sweeping changes in the international political and economic structures has lent great support to the protagonists of privatisation. At the same time, growing public debt, apprehension of a looming debt crisis and the possibility of utilising the proceeds of disinvestment for reducing a substantial part of the debt-burden have added a practical dimension of urgency to the moves towards privatisation. However, there is no consensus in favour of privatisation which involves transfer of ownership of public enterprises to private hands.

Based on a study of nine developing countries including India, the World Bank has reported ('Bureaucrats in Business') that only a few countries have made measurable progress in their attempts at privatisation of public enterprises. The same study has also brought out that public enterprises sector is larger and the problems associated with it are more severe in the world's poorest countries.

Against this background, the Government of India set up the Disinvestment Commission in August 1996 as an expert body to draw up a comprehensive long term disinvestment programme taking into account the interests of stock holders, workers, consumers and other concerned. Keeping in view the government's industrial policy and other wide ranging consultations and detailed examination context, the Commission has evolved certain general principles and criteria for disinvestment based on the classification of public enterprises as strategic core and non-core sectors. The Commission has suggested that in tune with the present industrial policy—(a) arms and ammunition and allied items of defence equipment, air-defence and warships, (b) atomic energy (c) minerals specified in the schedule to the Atomic Energy (Control of Production and Use) Order and (d) railway transport which are of strategic importance will continue to remain the exclusive preserve of the public sector and hence there will be no disinvestment in the public enterprises in these areas.

From the core sector, which generally consists of capital or technology intensive industries like power generation and transmission, petroleum exploration and refining and telecommunication, disinvestment upto a maximum of 49 per cent of the share holdings has been suggested so that the presence of the public sector continues as a countervailing force.

As in the present stage of our economic development, public sector has no unique or special responsibility in setting up or managing industries which are not in the strategic or core categories, disinvestment upto 74 per cent or more and gradual privatisation of the existing public enterprises in them has been considered desirable.

The public sector in India is thus at the crossroads today. The historic role which was assigned to it at the commanding heights of the economy has been eroded on account of a number of socioeconomic and political factors which have been at work during the last few decades.

However, going by the experience of similarly placed developing countries and the general perception of the developmental processes in the current context, it can be safely assumed that the public sector will continue to be significantly crucial to our economy and its growth. Hence, its efficient management will continue to be a serious concern of the government and the general public.

Numerous governmental bodies have emerged in different countries due to the expansion of government activities of modern states. These bodies differ considerably from the traditional departments. These are called quasi-governmental bodies and independent public bodies. The boards and commissions are also such bodies which are at present engaged in the administration of various public functions.

## Definition of a Board or a Commission

A board or commission is defined as a group of people elected or appointed to discharge collectively some public function. Commission is also referred to as 'certificate of office or to a body of men to whom some public function has been entrusted.'<sup>3</sup>

Boards and commissions are considered to be useful where the functions consist of exercising discretion on a large scale such as the formulation of policy and drafting of rules and regulations having the force of law, which affect private rights. A board or commission is also recommended where a group of experts is required to be placed at the top level of the hierarchy for effective policy formulation or to have the assistance, at the level, of knowledgeable persons, who would give the benefit of their service only on a part time basis.<sup>4</sup>

A board or commission is generally set up for: (a) those services which are of a quasi-judicial and quasi-legislative character, for example, public utility corporations which perform two principal functions: (a) quasi-legislative formulation of rules and regulations for determining the rates and conditions of services; (b) quasi-judicial decisions of judgements on issues affecting public and private rights arising under such rules and regulations.

Those services whose duties call for the exercise of wide discretionary powers or general control, for example, a Public Service Commission; organisations in which different interests are to be represented, for example commodity promotion board or conciliation board for the settlement of labour disputes; such institutions where attempts are made to eliminate or reduce to a minimum the factor of party politics in the conduct of its operations.<sup>5</sup> Before discussing more about the boards and commissions, it is essential to describe another form of organisation, i.e., the bureau. There is sometimes a controversy as to whether the bureau or the board type of organisation is best suited to the administrative needs of the country. If the responsibility is vested in one individual it is called *bureau type*; if it is vested in a number of individuals jointly it is called *board type*. It cannot be said outright which of the two systems is preferable as both of them have their merits and demerits. Generally speaking, it has been said that where the work to be done is essentially of an administrative character, that is, one calling for the direct performance of work, the bureau type of organisation should be adopted. If, on the other hand, the duties to be performed by a service are

not primarily of an administrative character, but one involving the exercise of direction on an important scale in the formation and adoption of policies, in the drafting of rules and regulations having the force of law and affecting private rights and in the adjudication of claims, grounds exist for the adoption of the board or commission type organisation.<sup>6</sup> It means that a board is unsuited for effective administration and management. It cannot be granted any administrative authority; all such authority should be vested in a single man to the end that he may be held absolutely responsible for the actual conduct of affairs. The conception of a board method of management violates the cardinal principle of effective control. The burden of leadership cannot be distributed among a group, nor is the ultimate executive responsibility divisible among officers of equal rank and authority. The system fails to develop the responsible leadership so essential to successful management. The decisions of a board are slower, its energy is less and responsibility divided.

## **WHERE IS THE BOARD SYSTEM SUITED**

However, in spite of all these disadvantages of the board type of organisation there are circumstances which call for this type of agency. In the services whose duties are of a quasi-legislative or quasi-judicial character the board type of organisation is desirable, for example, the Labour Tribunal, Shipping Board, the Board of Education, Tariff Board, Election Commission, University Grants Commission, etc. In these cases it is unwise to vest powers in a single individual as the judgement of a number of persons is superior to that of a single individual. The functions of these bodies involve formulation of rules and regulations having the force of law and hearing of cases and the rendering of decisions.

## **THE MIXED SYSTEM**

The common view seems to be that where the services are for purely administrative work, a bureau type of organisation should be adopted. If they are semi-legislative work then the board type is better. However, the problem is not as simple as it appears to be because there are a number of branches of administration where the duties to be performed fall in both fields, for example, the police, education and public health departments are concerned not only with purely administrative work but some authority to make rules and regulations is also delegated to them by the legislature. In such services, a mixed system of bureau and board type should be followed. For example, in the education department the law may provide for a board of education as well as for a director of public instruction. Here the problem concerns mainly with the relative jurisdiction of the two authorities and their relations to each other. It is important that the powers and duties of the two departments mentioned here should be clearly defined. The board should be granted no administrative authority; all such authority should be vested in the director to the end that the directorate may be held responsible for the actual conduct of affairs.

## **Classification of Boards and Commissions**

There are a variety of boards and commissions which differ considerably in their functions and powers. Sir Arthur Street describes them as quasi-government bodies.<sup>7</sup> He divides them in three categories: regulatory bodies (non-industrial), regulatory bodies (industrial) and managerial bodies. A. Avasthi and R. S. Gupta (1963) suggest three bases of classification: (a) the nature of their authority; (b) their legal status and (c) the consideration whether a board/commission is a substitute for the Secretariat (Ministry/Department) or is an agency under the latter.<sup>8</sup>

## Boards and Commissions in India

The Railway Board was perhaps the first important agency to be established in India. It was created in 1905 under the provisions of the Indian Railway Board Act IV of 1905. The Central Board of Revenue established in 1924 was another important agency in the field of revenue administration. A Coffee Board was constituted in 1935 to protect the coffee planters' interests and in 1938 a similar board was established for the tea industry.<sup>9</sup> Since Independence, many boards and commissions have been established in India. These can be classified into three broad categories on the basis of their origin.

*Constitutional commissions:* Our constitution provides for some commissions such as the Finance Commission, National Minorities Commission, Scheduled Castes and Scheduled Tribes Commission, the Backward Classes Commission, the Official Language Commission, etc. Because of the Constitutional sanctity attached to these commissions, they enjoy a significant degree of autonomy. They are appointed by the president of India and do not come under the control of any executive authority. They cannot be removed from office except by a special procedure. The costs accrued are charged to the Consolidated Fund of India and cannot be reduced during a given term of office.

*Statutory commissions/boards:* The second category of commissions and boards is that which are set up by the Acts of the Parliament. Examples of such bodies are, the University Grants Commission, the Atomic Energy Commission, the Railway Board, the Oil and Natural Gas Commission, the Flood Control Board and various Public Corporations, etc. The statutory Boards or commissions function under the general administrative control of one or the other Ministries of the Government of India but enjoy autonomy in their own administrative work. The departmental procedures are not applied by them in the conduct of their work except when they voluntarily opt for them. Such boards and commissions exist in the state Government also.

*Board/commissions set up by executive orders:* There are boards and commissions which are set up by an order of the executive—the governments, examples of such bodies are: the Handicrafts Board, the Handloom Board, the Central Social Welfare Board, the Central Water and Power Commission, etc. Such boards and commissions enjoy much less autonomy than the boards and commissions described above. They are generally attached to the minister who has the power to regulate their conduct of business and even abolish them altogether.

As the constitutional commissions play an important part in the country, it is important to make a mention of their functions. It will also help us to make a comparative study of our commissions and the independent regulatory commissions of the United States of America.

**The Finance Commission:** Article 280 of the Indian Constitution provides for the constitution of the Finance Commission at an interval of five years or earlier if the president of India considers necessary. The Commission shall consist of a Chairman and four other members to be appointed by the president. Article 281 makes it imperative for the president to 'cause every recommendation made by the Finance Commission under the provision of this Constitution together with an explanatory memorandum as to the action taken thereon to be laid before each House of Parliament.' The functions of the Commission are:

- (a) The distribution between the Union and the states of the net proceeds of taxes which are to be, or may be, divided between them and the allocation between the states of the respective shares of such proceeds;

- (b) The principles which should govern the grants-in-aid of the revenues of the states out of the Consolidated Fund of India;
- (c) Any other matter referred to by the president in the interest of sound finance.

The government constituted the Eleventh Finance Commission on 6 July 1998 with A. M. Khusro as its chairman to recommend the sharing of tax revenue between the centre and the states from the year 2000. The Commission has also been asked for the first time to recommend measures needed to augment the consolidated fund of a state to supplement the resources of Panchayats and municipalities.

**Public Service Commission:** Articles 315–23 of the Indian Constitution provides for a Public Service Commission for the Union and a Public Service Commission for each State or a joint Public Service Commission for more than one State. The members of the Union Public Service Commission and Joint State Public Service Commission are appointed by the president of India and those of the Public Service Commission of various states by the Governors.

**The Election Commission:** Article 324 of the Indian Constitution provides for the constitution of an Election Commission with a Chief Election Commissioner as its chairman. The functions of the Commission are: ‘superintendence, direction and control of the preparation of the electoral rolls for, and the conduct of, all elections to Parliament and to the Legislature of every state and of elections to the office of president and vice-president held under the Constitution, including the appointment of election tribunals for the decision of doubt, and disputes arising out of or in connection with elections to Parliament and to the Legislatures of States’.

**The Backward Classes Commission:** Article 340 of the Constitution provides that the president may appoint a Backward Classes Commission to investigate the conditions of socially and educationally backward classes within the territory of India and the difficulties under which they labour and to make recommendations as to the steps that should be taken by the Union or any state to remove such difficulties and to improve their condition and as to the grants that should be made for the purpose by the Union or any state and the conditions subject to which such grants should be made. The report of the commission is laid before each House of the Parliament.

**The Official Language Commission:** Article 344 of the Indian Constitution provides for the appointment of an Official Language Commission, at the expiration of five years from the commencement of the Constitution and thereafter at the expiration of ten years from such commencement. The Commission recommends the president as to (a) the progressive use of the Hindi language for the official purpose of the Union; (b) restrictions on the use of the English language for all or any of the official purposes of the Union; (c) the language to be used for all or any of the purposes in the Supreme and High Courts, etc.; (d) the form of numerals to be used for any one or more specified purposes of the Union; (e) any other matter referred to the commission by the president as regards the official language of the Union and the language for communication between the Union and States or between one State and another and their use.

The Commission consists of a chairman and such other members representing the different languages as the president may appoint.

From a brief study of the functions of the commission given above, it is clear that, unlike the independent regulatory commissions of the USA, they do not exclude the president of India to the degree to which the president of the USA is excluded. They submit their reports to the Parliament through the president of India and this helps in having an integrated administrative set-up.

### *Independent regulatory commissions in the United States of America*

The Independent Regulatory commissions are peculiar to the constitutional set up of the United States of America. They are a progeny of the separation of powers and the deep distrust of the Congress in the powers of the US Presidency. The need for such commission was felt on account of the growing industrialisation and urbanisation of that country during the nineteenth century when the government felt it imperative to regulate private economic activities. The first independent regulatory commission, set up by the federal government, was the Inter-State Commerce Commission established in 1887. At present there are the following nine commissions:

**The Inter-State Commerce Commission (1887):** Its functions are to develop, coordinate and preserve a transport system by rail, water, road and by other means to promote safe, adequate and efficient transport service, to fix up reasonable charges for them and to prevent discrimination or unfair competitions among the various agencies of transport.

**The Board of the Governors of the Federal Reserve System (1913):** It determines and controls monetary conditions, credit and operating policies, and supervises all the National Banks and Federal Reserve Banks of the USA which are its members.

**The Federal Trade Commission (1914):** It has the duty to prevent unfair methods of competition in trade, control false advertisement of food, drugs, etc., and to safeguard the entire economic system so as to maintain conditions of free competitive enterprise.

**The Federal Communications Commission (1924):** It regulates inter-state and foreign wireless, radio and television communication.

**The Federal Power Commission (1930):** It is responsible for the licensing of hydro-electric projects, transmission and sale of electric energy and natural gas.

**The Securities and Exchange Commission (1934):** It protects the interest of the investors against malpractices in the securities and financial markets.

**The National Labour Relations Board (1935):** It investigates unfair labour practices by the labour unions and victimisation of the employees by the employers.

**The United States Maritime Commission (1935):** It encourages the development and maintenance of a merchant marine for commerce and national defence.

**The Civil Aeronautics Board (1940):** It develops air transport, prescribes safety standards, investigates air crashes, assists development of international transport, etc.

It may be mentioned here that these federal level commissions have jurisdiction which extends throughout the territory of the United States of America.

From the above description, the main functions of these commissions can be summarised. First, they set up standards, rules and regulations to govern the behaviour of a particular industry. Secondly, they enforce these standards, rules and regulations and prosecute the defaulters. They, therefore, enjoy both the powers to make administrative legislation and to adjudicate administrative disputes. They regulate the economic activities by three different procedures: (a) by rule-making, i.e., by elaborating and defining the general norms as laid down in the patent Acts, (b) by administrative methods such as licensing, inspection, publicity, etc., and (c) by case-by-case decision method which is used on complaints against the violation of the law or the norms laid down.



The commissions can hear cases and award decisions either on a regular petition having been made by a private party or on their own initiative. This last power to take initiative is the main distinguishing feature which differentiates the commissions from the ordinary courts. The ordinary courts cannot start judicial proceedings on their own initiative. As soon as a commission takes the initiative on its own or on petition from a private party, it issues notices to the party or parties concerned. The next step is the hearing of the case. The commission is not bound by the formal rules of evidence and whatever relevant evidence can assist it in fact-finding is accepted. Nor it is essential that the petition must be heard by the person who is to ultimately decide the case. The usual procedure is that the case is heard by over a dozen examiners and on the basis of relevant evidence, a decision is recommended to the head of the commission. Generally, the head of the commission simply endorses the decision of the examiners. Judicial review of and appeals from these decisions again rest with the commission which sits as an administrative tribunal in respect of these decisions.

Main features of independent regulatory commissions are as following:

(a) The functions of these commissions are of a mixed nature—administrative, quasi-legislative and quasi-judicial. They frame rules and regulations, execute these rules, and hear appeals against their own decisions. It is on account of the mixed nature of their functions that they have been called ‘the fourth branch of the government’ for they do not fit into any of the three traditional branches of the government—legislative, executive and judicial. (b) These commissions are staffed by experts. (c) They are collegial in character and consist of a group of men discussing and deciding by majority vote. (d) They are relatively independent of the chief executive, i.e., the president. They are neither responsible to him nor report to him. They are set up under a statute passed by the Congress laying down their constitutions and functions. Though the members are appointed by the president with the approval of the Senate, they are not answerable to him. The overlapping or staggered terms of the members strengthen the independence of the members from the president all the more. Though appointed by the president, he cannot remove the members except on grounds specified in the statute creating the commission.

It is because of these reasons that these commissions have been described as ‘headless’ for they owe no subordination to the president or any other executive authority. In fact, they are outside the framework of the departmental organisation under the president and have been rightly called ‘islands of autonomy’ within the US administrative set up. The federal administration of the USA stands ‘disintegrated’ because of the presence of these commissions. Their independence is not absolute. It may, however, be noted that the independence of these regulatory commissions is relative and not absolute. First, they are controlled by the Civil Service Commission in personnel administration. Second, their budgets are subject to the review of the Office of Management and Budget which is a staff agency of the US president. Third, their actions are subject to judicial review and can be declared void. The judiciary examines their actions from three principal aspects: (a) in assuring the use of correct procedures in administrative action; (b) in preventing action in excess of powers conferred by the legislature, and (c) where administrative action depends on a factual record, in making sure that the evidence in the record is sufficient. Finally, they are subject to the control of the Congress. They receive their annual appropriations from the Congress, which has the power to order an investigation into their working and operations. The Congress can also amend their constitutions and even abolish them, although this has never been done. As a matter of fact the control of the Congress is only of a general character and these commissions are regarded as the arms of the Congress. On the whole, it can be said that these commissions are largely autonomous.



## Merits of Independent Regulatory Commissions

Regulation of private business activities is not an easy job particularly in the USA where big business magnates have great influence. Under the circumstances, it is extremely difficult for any organisation to manifest complete impartiality to all the parties concerned. There are serious dangers of corruption, nepotism and unfairness. The industries affected by regulation are often powerful and politically influential, and regulation controls their profits, their services and their finance. The combination of a wide administrative discretion, on the one hand, and great private influence, on the other, besides high stakes in the relationship between them, involves serious risks of corruption and unfairness. In this situation, the independent regulatory commission seems most nearly to meet the needs.<sup>10</sup> The merits of this type of organisation were clearly brought out by the *Hoover Commission Task Force Report on Regulatory Commissions* observed:

The number of members and their security of tenure are intended to assure freedom from partisan control or favouritism. The group is to resist outside influence more effectively than an individual and each member is free from a threat of removal as a source of pressure. Moreover, since the activities of the commission may be more subject to public scrutiny than would be a single bureau in a large department, there is greater opportunity for exposure of pressure or improper actions. Finally, while provisions for hearing and similar safeguards against arbitrary actions are not peculiar to commissions, they may be more effective when combined with group action.<sup>11</sup>

## Demerits of Independent Regulatory Commissions

The commissions have also been subjected to severe criticism. It is said that the independent regulatory commissions owe no responsibility to any constituted authority. They function outside the administrative setup of the president and have been rightly called as 'headless'. The president has no power to dismiss any of the members, they can therefore, easily stand in the way of effective and integrated administration of the chief executive. It is said that, if not responsible to the president, they are the agents of the Congress and are responsible to it, but in practice, the control of the Congress is only nominal. At the most, the Congress can make investigations and obtain reports; it cannot control the details of their policies and actions. No wonder, they have been called as 'irresponsible commissions', 'the fourth branch of the government', areas of unaccountability, and so forth. The Brownlow Committee (1937) commented:

They are in reality independent government's set up to deal with the rail-road problem, the banking problem, or the radio problem. They constitute a headless fourth branch of the Government, a haphazard deposit of irresponsible agencies and uncoordinated powers. They violate the basic theory of the American Constitution that there should be three branches of the government and only three. The Congress has found no effective way of supervising them, they cannot be controlled by the president, and they are answerable to the courts only in respect of the legality of the activities.

This committee further added that though the commissions enjoy power without responsibility they also leave the president with responsibility without power. The commissions combine in themselves the functions of the legislator, prosecutor, and the judge, thereby jeopardising the rights and liberties of the people. The commissions formulate very important policies in the business and industries and with these combined functions, can easily act arbitrarily. Besides, the commissions do not have that impartiality and

neutrality which is essential for the performance of judicial work. The big business magnates with whom the commissions have to deal are very powerful and usually exert pressure to get their work done to their advantage. Again, the commissions have their own procedures of hearing appeals and making decisions. They are not bound by the rules of evidence and other procedures normally adopted by the ordinary courts of law. As such, there is no safeguard against the miscarriage of justice. Although appeals against their decisions can be made to the regular courts, it is usually the last recourse because of the strict limitations. As these commissions are outside the control of the president they have served as a great disintegrating force in the federal administration of the United States of America. They can obstruct effective coordination of the national policy by non-cooperating with the other departments of the federal government. There usually arise conflicts of jurisdiction between these commissions and other executive departments because some of the regulatory functions are common to both these bodies. All this can result in a decentralised and chaotic administration. It is alleged that the commissions are unwilling to make use of the auxiliary services such as statistical, economic, legal services and the like of the other departments. This results in high expenditure and duality of personnel. It is also argued that these commissions have not served the purpose for which they were established. Neither have they been able to protect the public interest nor have they assured the long-term progress of the industry. The Hoover Commission (1945) commented: 'The chief criticism that can be made of the regulatory commissions is that they become too engrossed in case-by-case activities and thus fail to play their roles and to promote the enterprises entrusted to their care.'

It is also said that the regulatory commissions suffer from undue laxity and slackness in the performance of their functions. This is on account of the fact that they are neither responsible to the president nor accountable to the Congress in any effective manner. The fact that their decisions can be reversed by the courts makes them, in the words of Arthur M. Macmohan, 'timid'. The regulatory commissions, it is argued, are inherently weak because of the commissions or plural type of their organisation. As far as this criticism is concerned, it can be said that this weakness is common to a commission type of organisation and is not specific characteristic of the regulatory commissions. It can be remedied by making the role of the chairman more effective. That is why, the Hoover Commission recommended the strengthening of the chairman's role and some steps have already been taken in this direction.

## ATTEMPTS AT REFORMS OF THE COMMISSIONS

The President's Committee on Administrative Management, popularly known as Brownlow Committee, recommended in its report (1937) that the functions of the regulatory commissions should be divided into two groups—non-judicial and judicial. As far as the non-judicial functions are concerned, they should be integrated with other administrative departments of the federal government. The judicial functions of the commissions should be performed as autonomous adjudicatory boards, within the departments to which they are attached, for handling cases involving administrative adjudication. Under the arrangement, a special bureau or division was to be set up in each department to do the administrative work of the commission under the control of the secretary and the president. Such a bureau was to be assigned to the commission's functions of rule making, planning, investigation, prosecution and policy making, etc. The Congress, however, rejected the recommendations of the Brownlow Committee and refused to allow the president to control the commissions to any degree whatsoever. The recommendations of the committee were criticised by the Attorney-Generals' Committee on Administrative Procedure which reported in 1941. The Committee remarked:

A separation of functions would seriously militate against what this committee has already noted as being numerically and otherwise the life blood of the administrative process, negotiations and informal settlements. Clearly, amicable disposition of cases is far less likely where negotiations are with official devoted solely to prosecution and where the prosecuting official cannot turn to the deciding branch to discover the law and the applicable procedure.

The First Hoover Commission (1949), however, drew quite the opposite conclusion from that of the Brownlow Committee. It called the regulatory commissions 'an outstanding development' in the American federal government. Of course, it mentioned the haphazard and uncoordinated nature of their growth and emphasised better coordination in response to the needs of the federal government. It observed that a large part of the work of the commission is not closely related to that of the rest of the government and requires active coordination to avoid conflict.

From these observations, it is clear that there is no unanimity of opinions about the utility of these commissions. It appears that the USA has accepted their existence as a matter of fact. Under the circumstances, what is needed is that congressional as well as judicial control over them should be strengthened. James W. Fesler has made the following recommendations for the proper functioning of these commissions:

First the quality of men and women appointed to the commissions is more important than the details of organisations. Second, judicial work should be carried on in an impartial manner, free from the bias characteristic of the prosecution function. Third, coordination of policy formulation and administrative management among government agencies is essential especially during periods when government plays a positive role in the economy. The chief executive appears to be the only responsible and effective focus for such coordination. And fourth, independent commissions should be subject to the same control by the legislative and judicial branches that applies to all other regulatory and service agencies of government.<sup>12</sup>

## HEADQUARTERS–FIELD RELATIONSHIP

The business of the various departments and agencies of the government is not carried on in the capital of the state alone. Most of their work is done at scattered stations called field-stations situated away from the Headquarters. The reason for creating field-stations is that the needs of the people may be satisfied locally and easily. Therefore, to make available to the people the governmental services at their doors it is desirable that post-offices should be established at numerous locations closer to the end user. The field-offices their number, location and grade may be prescribed either by statutes or by administrative orders. If established by the legislature the field-station will enjoy greater security and freedom than if established by the executive. But the legislature cannot decide technical questions of location, relations and organisations. The executive is, therefore, the better judge of the needs of the department and of the location, number and other things concerning the field stations.

## Grading and Classification of Field-Stations

For the sake of administrative convenience it is desirable that the various field-stations should be classified into various grades, for example, railway stations of A, B and C grades.

The classification of field-stations would make possible the building of a hierarchy of offices constituting a single unified service, help the government in prescribing a uniform standard of work for all the stations of the same grade, give the headquarters an idea of the expenditure required for a particular type of field-station and enable it to check extravagance, make possible transfer of employees from one station to another which is of the same grade, help the government in determining pay and allowances of the employees of the field stations of various grades as positions can be graded according to the grades of the stations. In case of promotion and demotion, an officer may be transferred from a low grade station to a higher grade and from a higher grade to a low-grade station respectively.

### **Sub-station**

Field-stations have sub-stations also. When sub-stations are created, the line of authority runs to the central office through the stations of which they are sub-stations. The powers of field stations may be determined by the centralised or decentralised systems. Under the former system the field-stations work as mere executing agencies, they have no power even in such matters as purchase of stationery, transfer of employees, etc. In the latter system, the field stations are given authority to make their own decisions and have full control over their establishment..

According to Willoughby, the advantages of the centralisation system are that it provides for a maximum of control, ensures that all the work is done in the same manner and in accordance with the same general policies and principles, and makes more difficult administrative abuses in such matters as the employment and handling of personnel, the purchase and use of supplies, etc. The disadvantages of this system are increased expenses, the difficulties faced by the central office in acting without the knowledge of local conditions possessed by the local units, and a lack of flexibility in administration. The advantages and disadvantages of the system of decentralisation are for the most part the reverse of those stated for centralisation..

A single system cannot be adopted in all the activities and in all the circumstances. The centralisation and decentralisation of authority within a department depends upon the following factors:

**The factor of responsibility:** Every departmental head is responsible for all the administrative activities of their department related to the executive. They are also responsible for the central budgetary, accounting, and auditing and personnel agencies for the institutional activities of their department. They are responsible to the law courts for the integrity and constitutionality of their departmental operations. They do not easily delegate wide discretionary authority to the field-officers and prefer to direct and control all their activities.

**Administrative factors:** The avoidance of delay, the need for economy and the pressure for speed/work may necessitate decentralisation. If the departmental head bears intelligent understanding and constructive approach upon field problem like the respective roles of functional experts and general administrators, the techniques for closer cooperation between the headquarters and the field-stations, and the appropriate distribution of functions and authority, then there would be no impediment to decentralisation.

**Functional factors:** Decentralisation also depends upon what type of functions the department performs. If the functions require specialisation and national uniformity, centralisation is preferred. But if the function needs diversity such as in agriculture, forest, water resources, then decentralisation is preferred.

**External factors:** The factors such as necessity of associating the citizens with administration, convenience of citizens, adjustment of policy and programme to local conditions and adapting field activities to political pressure may compel most matters to be handled outside the central capital.

The delegation of authority means greater energy, a higher sense of responsibility and better morale among field-agents. Decentralisation democratises administration and brings it closer to citizens. The more the state takes to developmental and welfare activities, the more it will feel the need of decentralisation.

## Headquarters–Field Relationship

The question of headquarters–field relationship is of great importance and, therefore, adequate provisions need be made for the direction and supervision of field-stations. This relationship may be organised according to either unitary or territorial or multiple or functional system.

In the unitary or territorial system, the line of authority runs from the clerks to the officers-in-charge of the field-station and from them to the headquarters of the government.

The heads of the field-station are placed in complete charge of all the activities of their station and the various section clerks are their subordinates. They are held responsible not only for their own acts but also for those of their subordinates. All communications between the station and headquarters relayed through them. For example, in a post-office there are several clerks dealing individually with registration, saving accounts, money order, parcel, prize bonds, etc. All these clerks are responsible first to the postmaster of the office and through him to regional postmaster and ultimately to the postmaster general.

In the multiple or functional type, the station is not looked upon as a unit but ‘as an assembly of units which are only loosely held together for matters of general administration by the authority of the head of the station.’ Here the line of authority runs direct from the division clerk to the head of the corresponding division at the headquarters. The units are sub-divisions of the corresponding central divisions, for example, the saving banks clerk of the post-office of Patiala would be responsible to the saving bank clerk in the office of the postmaster general. Under this system the officer-in-charge of the station does not have much authority over the clerks working in the station. They are only responsible for establishment duties of the station, like ensuring their regular attendance, maintaining discipline among them, supplying furniture and making seating arrangement.

The multiple system tends to concentrate too much authority in the central office resulting in difficult management. It makes flexibility difficult and does not ensure sufficient autonomy to the field stations. On the other hand, under this system the technical operations in fields come under the direct control and direction of central experts, which ensures direct supervision and better efficiency. It has also the advantage of economy and uniformity. However, it is the unitary system that is generally adopted by government services.

## SUPERVISION AND CONTROL OF FIELD-STATIONS

Whichever system of organisation of field establishment may be adopted, the need of effective supervision and control by the headquarters is always there.

If efficiency and economy are to be secured, it is imperative that the central organisation shall have means by which it can have full and detailed information regarding the character and amount of work to be done at each station and its organisation, personnel and equipment, and that it shall periodically receive information regarding the financial and other needs of the station and its current operations.

Supervision and control may be exercised through,

**Advance review:** Under this method the headquarters may decide that action by the field stations will not be taken without obtaining prior sanction. The field station refers every matter to the headquarters with relevant data and other material bearing on the matter and waits for its decision. Thus, the head-quarter gets full control of the activities of field-stations, which leaves practically no space for initiative to the field officers. This method, however, causes delay, inefficiency and rigidity in the performance of work.

**Accounts and reporting:** The headquarters may receive reports weekly, fortnightly, monthly and annually from the field stations and thereby judge their progress. To make this method effective it is essential that reporting should be done in such a way as may secure the same data compiled in the same form from all the field stations, and the form and content of reports should be so prescribed as may reveal the errors of the field officers and may supply adequate account of the work of field stations.

**Inspection:** The system of control through accounting and reporting may be supplemented by inspection. The inspectors should inspect the field stations, after some interval and they should have not only the insight to enter into the interior working of the field activities, but also not to injure the feelings of the field officers.

## REFERENCES

---

1. Luther Gulick, 'Notes on Theory of Organisation', in Luther Gulick and L. Urwick, *Papers on Science of Administration*, p. 13.
2. Marshall E. Dimock, 1945, *Executive in Action*, New York: Harper and Brothers, p. 16.
3. H. J. Pandya, 'Boards and Commissions in India', in Ramesh K. Arora (ed.), *The Indian Administrative System*, New Delhi: Associated Publishing House, p. 124.
4. *Ibid.*, p. 125.
5. W. F. Willoughby, 1958, *Principles of Public Administration*, Allahabad: Kitab Mahal, pp. 121–22.
6. *Ibid.*, p. 108.
7. See Arthur Street, 'Quasi-Government Bodies Since 1918', in Lord Campton and others, (eds), *British Government Since 1918*, London: George Allen and Unwin Ltd., p. 157.
8. For details refer to A. Avasthi and R. S. Gupta, 1963, 'The Boards and Commissions since Independence', *The Indian Journal of Public Administration*, July–September.
9. H. J. Pandya, *op. cit.*, p. 134.
10. Marshall E. Dimock, Gladys O. Dimock and Lewis W. Koenig, 1959, *Public Administration*, New York: Harper and Brothers, p. 192.
11. The Task Force Report on Regulatory Commissions, p. 20.
12. James W. Fesler, 1946, 'Independent Regulatory Establishments', in F. M. Marx, (ed.), *Elements of Public Administration*, New York: Prentice Hall, p. 235.

# 6

## Personnel Administration

---

Personnel administration, or personnel management to be precise, is an important aspect of management. A sound personnel policy is a prerequisite for an efficient management system. The objectives of personnel administration are briefly summarised in the definition of personnel administration given by A. Felix and Lloyd G. Nigro. According to them: 'Public personnel administration is the process of acquiring and developing skilled employees and of retaining them to put forth their best efforts'.<sup>1</sup>

R. D. Aggarwal enlists seven objectives of personnel management: (a) effective utilisation of human resources in the achievement of organisational goals; (b) establishment and maintenance of an adequate organisational structure and desirable working relationships among all members of the organisation; (c) securing integration of the individual and informal groups with the organisation, and thereby their commitment, involvement and loyalty; (d) recognition and satisfaction of individual needs and group goals; (e) provision of maximum opportunities for individual development and advancement; (f) maintenance of high morale of human organisation; (g) continuous strengthening and appreciation of human assets.<sup>2</sup>

### FUNCTIONS OF PERSONNEL ADMINISTRATION

In order to achieve the objectives stated above, a personnel management system has to perform a number of functions such as the following:

- (a) **Organisational planning and development:** Developing an appropriate organisational structure to ensure effective work performance. This also includes determining organisational needs and designing inter-personnel relationships.

**(b) Recruitment and selection of employees:** An important function of personnel administration is to obtain qualified and competent persons for different positions of the organisation. There is also a need for man-power planning, keeping in view the long-term and short-term needs of the organisation. Besides, placement of employees in proper jobs for which they are suitable, initiating the employees or acquainting them with the organisation and its needs and objectives, transfer of employees to more suitable positions and providing them promotion opportunities are also important.

**(b) Training and Executive Development:** Training of employees to increase their efficiency and effective job performance is another important task of personnel administration. The training function includes identification of training needs, provision of suitable and effective pre-entry or introductory training, on-the-job training, as well as training for development.

**(d) Salary Administration:** No organisation can work efficiently or effectively for long unless its employees are paid adequately, equitably and fairly for the labour and work they put in to achieve the objectives of the organisation. Hence salary administration constitutes an important aspect of personnel administration. Merit, pay or financial incentives, and grant of bonus etc., may also be included in this function of salary administration.

**(e) Motivation and Morale:** The personnel administration system is also responsible for motivating its employees to work for the organisation and developing ways and means for improving and maintaining a high morale among them. For this morale and attitude, surveys are to be conducted and suitable policies and programmes executed.

**(f) Management–Employee Relationship:** The personnel administration system has to take care that there exists a healthy relationship between the management and its employees. Thus it has to evolve measures for settling disputes and redressing grievances of the employees.

**(g) Employees Welfare and Service Record:** The personnel management system has to maintain complete records of the employees relating to their qualifications, job performance, special aptitude and other personnel matters. Besides, it has to make satisfactory provision for employees' welfare such as provision of medical services, safety of workers at work, recreation and other welfare programmes.

All these functions may not be found in every organisation and much depends upon the size, objectives, location and a number of other factors which affect an organisation.

## BUREAUCRACY AND CIVIL SERVICES

The word 'civil servant' may be said to have been coined on the analogy of military servant and police servant. A civil servant is distinguishable from the latter two in that while they are mainly concerned with the safeguarding of the country from external and internal dangers, he is concerned with purely civil and non-technical affairs of the State. He is employed in a civil capacity as distinguished from military, judicial or police capacity. Military officers, judicial officers, police officers and many other technical officers like doctors, engineers and draftsmen are, strictly speaking, not civil servants. A civil servant is one whose main function is to administer the law of the land. Civil servants are mainly of two classes: lower clerical staff and higher administrative staff. The higher administrative staff is directly connected to the political head of the department. The lower clerical staff helps the administrative staff and works under its direct supervision and control. A State reaches its citizen through civil servants who are trained, skilled and a permanent body



of professional officials, and who have adopted government service as a career. In the words of F. A. Ogg, 'It is this great body of men and women that translates law into action from one end of the country to the other and brings the national government into its daily contacts with the rank and file in the country.'

## BASIC FEATURES OF CIVIL SERVICE

According to Herman Finer, Civil service is 'a professional body of officials, permanent, paid and skilled. It means that it is primarily a body of professional administrators as distinguished from politicians who are elected on party lines. They have adopted civil service as their life career and through training and experience become skilled in their profession'. In the words of Gladden, 'The requirements of the civil service are that it shall be impartially selected, administratively competent, politically neutral and imbued with the spirit of service to the community.'<sup>3</sup> The basic features of the civil service worth mentioning are as follows:

### Professionals

The most important characteristics of civil services is that it is a professional class of officials who are trained and skilled. Like other people who carry on different professions, the profession of civil servants is to run the administration. According to B. K. Dey, characteristics of a professional group of public officials are:<sup>4</sup>

- (a) an organised body of knowledge and its various disciplines which are available to its members;
- (b) establishment of norms of competence for not merely initial entrance but also subsequent elevation in the service and consistent effort to secure general acceptance of these standards;
- (c) the need for development of such basic skills through training opportunities for the existing and prospective members of the profession;
- (d) a well developed sense of dignity and worth as also the professional prestige attached to the appropriate segment of public service;
- (e) a code of ethical conduct, the violation of which by any member will serve to debar him from the profession; and
- (f) an effective organisation for the promotion of these objectives.

### Hierarchy

All civil servants are organised into a firmly ordered system wherein each is subordinate to the other, higher in position to himself, and there is supervision of the lower officers by the higher ones. In this hierarchy each officer occupies a fixed place with well-defined duties, salary and privileges. The person in the lowest rung is ultimately responsible to the one in the highest rung through a well-organised chain. Every official has to obey the orders of the higher official.

### Legal Basis

The civil service system is always provided with a legal basis. This may be largely customary and uncodified, or in the form of ministerial regulations as in Great Britain, or it may be set forth in considerable

detail in a written constitution for the political jurisdiction. Generally, it has a statutory base either in an elaborate civil service code or in a collection of civil service laws.

## **Personnel Agency**

In most of the countries there is a provision for a personnel agency or agencies that are charged with the responsibility of maintaining the civil service system. Usually the British practice is followed by a large number of countries in this regard, where the task of selecting a civil servant is entrusted to the Civil Service Commission and that of other personnel matters to the treasury. In India, the Union Public Service Commission and the States Public Service Commissions are made responsible for the recruitment of Central and State civil servants respectively. Other personnel matters are entrusted to the Home and Finance ministries of Central and State governments.

## **Established Procedure of Work**

In a developed civil service system, well-established procedures are installed for the conduct of common personnel transactions such as selection, promotions, performance evaluation, compensations, and so on. These standardised methods provide objectivity in the choice of entrants to the civil service and also help in giving equal treatment to all those already in service.<sup>5</sup>

## **Impartiality and Anonymity**

Civil servants have to apply the laws of the State without showing any favour or partiality to any individual or group of individuals in a society. They should be neutral in politics and serve the government without caring for the party character of the cabinet. They must work without any praise or blame going to the minister. They should maintain a high standard of conduct and serve the nation impartially, honestly and anonymously.

## **FUNCTIONS OF CIVIL SERVICE**

It is not easy to draw a sharp distinction between the functions of the political executive and the civil servant. Many policy decisions which are approved by the political command are practically formulated by the civil servants. Nevertheless, there is a difference in the nature of the two operations. The political executive has the unique and exclusive duty of taking responsibility for policy. The main function of civil service is to operate the administrative machinery in accordance with the policy established by the political executive. Its functions may be divided into the following categories.

### **Advice**

One of the primary functions of civil service is to offer advice to the political executive. Ministers rely on the advice of their senior officials who are the reservoirs of information and organised knowledge concerning the subject matters which they administer. In the course of administration many problems arise which are usually worked out in the first instance by the civil service and then reported to the political overhead, if at all, for approval or merely for information. Ramsay Muir has stated this function of rendering advice

to the ministers in an emphatic though exaggerated style.<sup>6</sup> According to him, ministers spend most of the time making their positions secure and talking on platforms. The civil servants, on the other hand, devote much of their time to the study of problems of the office. Hence, they have relatively much more knowledge of the complex working of the department whereas ministers lack this special knowledge and thus are unable to take judicious decision on various problems which come for their consideration. Civil servants put before the ministers their suggestions, supported by convincing arguments and facts. The minister, unless he is a man of high calibre and have a high commanding power, can do nothing but give his assent by formally signing his name at the place suggested by his so-called secretary.

## Programme Planning

In its broad sense, planning is a responsibility of the political executives, planning and periodic adjustments of the revenue structure is a responsibility of the Minister for Finance, agricultural price and food policy a function of the Minister for Food and Agriculture, industrial policy a function of the Minister for Industries, and so on. But there is a field wherein civil servants also perform the function of planning, and this is the field of delegated legislation. As we know, the legislature passes an Act in general terms, to execute and implement which certain rules and regulations are required. The civil servants who put that law into execution determine the specific steps to be taken in order to bring to fruition a policy or a law already agreed upon, to the extent that the policy decision is ambiguous or vague, programme planning may actually affect policy though in principle its purpose is merely to affect policy. Programme planning involves a detailed study of the job to be done. The success of any new policy will ultimately depend upon good programme planning.

## Production

Civil service exists to perform services in the broadest sense of the term. Its primary purpose is production. Things produced may be tangible objects such as kilograms of fertilizers and miles of concrete roadway, less tangible such as cases of legal disputes decided or school children educated. Every official responsible for administration needs work standards to enable him to determine whether his organisation is reasonably effective, whether his subordinate employees are competent and whether the levels of efficiency and output are rising or falling. He is to secure the most effective utilisation of personnel, both with regard to immediate assignments and ultimate potential. He also supervises his subordinate employees. Supervision is an extremely difficult and delicate task. The immediate test of success is production. The supervisor must cultivate attitudes that are conducive to cooperation, energy and loyalty.

## Organisation and Methods

An important function of the civil service, particularly of middle management, is to bring about improvement of working methods so as to eliminate waste and loss of effort and secure the most complete utilisation of available resources. This function is performed with the assistance of units specialised in what has come to be known as organisation and methods work (often referred to as O&M). The institution of civil service has become an integral part of the modern state. It performs varied and numerous functions. The civil servants collect facts and figures, undertake research, advise the minister who is new to his job and make plans to satisfy the needs and requirements of the people. What the civil service really does is that it

maintains the government as a 'going concern'. It 'oils the machinery of politics' by relating it to detached, disinterested and practicable experiences. With the expanding activities of the state, the politically elected representatives are no more in a position to handle effectively the various aspects of public affairs. They have to rely heavily upon the information, analysis and judgement of the civil servants. The civil servants constitute the instrument through which the government of a modern state operates and fulfils its obligations towards its citizens.

The role of senior civil servants is no longer confined to giving of policy advice to the people above them. They are assuming managerial roles more and more for running efficiently the administrative machinery under them. Secondly, the administrator is no longer anonymous. He is sometimes required to defend in public the decisions which the minister has taken, because the public official today also participates in the policy making process. An important duty of a civil servant today is to canvass support for a governmental policy. He has to seek public participation in the execution of such a policy.

The civil servant today needs a change in his attitude. The days are now gone when he was a kind of terror to the common man. He is now the humble servant of the people, who has to work for them and help them in their welfare. That a change has come about in the outlook of the civil servants cannot be denied, but still they have to go a long way to make the common man feel that they exist for his welfare and prosperity and that he should cooperate with them in the task of building India, a land of peace, prosperity and plenty. In the words of Avasthi, 'In the changed context, it is not enough for a civil servant to be efficient, competent, anonymous and neutral and to possess managerial capacity and integrity, valuable as these traits are, something more is called for. If the planned economy of a developing country like India, which is committed to the realisation of a secular, socialist democratic republic, is to bear fruit and deliver the goods, the civil servant must have two additional qualities: he must be a specialist and a professional and must have a commitment to the nation.

## MAX WEBER'S MODEL OF BUREAUCRACY

Max Weber, a German historian and sociologist, was the first social scientist who made a systematic study of bureaucracy and its characteristics. As a matter of fact, his name has become synonymous with bureaucracy. He occupies a unique place in the galaxy of social scientists who have attempted to explain the concept of bureaucracy. One is always reminded of Max Weber whenever there is a discussion on bureaucracy—Weberian model of bureaucracy is a source of inspiration to thinkers on administration as it reflects the spirit of modern bureaucracy and is being used as a reference base for other models on bureaucracy.

Weber never defined bureaucracy. He only described its characteristics. To him, bureaucracy is an administrative body of appointed officials 'excluding the elected ones'. Max Weber was essentially concerned with the analysis of authority in the 19th century European society. He categorised authority into three types—traditional, charismatic and legal-rational. Similarly, he categorised bureaucracy into patrimonial bureaucracy (found in traditional and charismatic types of authority) and legal-rational bureaucracy (found only in the legal type of authority). He enunciated some immutable characteristics of legal-rational bureaucracy popularly known as the Weberian model of bureaucracy. These characteristics were hierarchy, merit selection, specialisation, impersonality, etc. He vehemently asserted that any organisation possessing these characteristics can perform its functions most rationally and would achieve maximum efficiency and effectiveness. He characterised his model of bureaucracy as an ideal type.

## The Weberian Model of Bureaucracy

The characteristics of legal-rational bureaucracy designed by Max Weber are as follows:

- (a) Official business is conducted on a continuous basis.
- (b) The administrative agency functions in accordance with prescribed rules.
- (c) The powers and functions of each official are specifically defined.
- (d) Officials are given matching authority to carry out their responsibilities.
- (e) Every official and every office is a part of the hierarchical authority, higher officials or offices supervise while lower officials or offices have the right of appeal.
- (f) Officials use official resources in rendering their duties and are accountable for them.
- (g) Offices are the property of the public. The officials cannot appropriate, sell or inherit them.
- (h) Administration is conducted on the basis of written documents. The administrative acts, decisions and rules are formulated and recorded in writing even in cases where oral decision is the rule or is even mandatory. Documents make the administration accountable to the people and provide a ready reference for further action.

The Weberian model of bureaucracy also provides for the characteristics of an official. He is appointed on the basis of his qualifications, is a full time occupation, and is given regular salary for his job with prospects of promotion. He exercises the authority delegated to him and performs his duties faithfully. He is an employee of the administration and not a servant to anyone on a personal basis. He is also strict with regard to systematic discipline and control.

## Criticism of the Weberian Model

The Weberian model of bureaucracy has been severally criticised by numerous scholars, academicians and practitioners of public administration mainly on the grounds that the characteristics of bureaucracy which Weber has delineated, such as hierarchy etc., leads to red tapism, delays, dysfunctionism, etc. Some critics have termed it as bureau-pathology. Secondly, it is argued that Weber's bureaucracy, based as it is on the Western experience, particularly German and French, cannot be applicable to the developing Afro-Asian countries since they are more concerned with the objectives of development administration than with those of regulatory administration. However, despite this criticism, the Weberian model inevitably becomes the starting point for analysing the functioning of government for modern students of public administration. Weber's bureaucracy provides the very essential and basic framework for understanding administrative organisation as they exist today, and so long as administration lasts in any part of the world, Weber will continue to be associated with it. His concept of bureaucracy has earned him immortality in academic circles all over the world.

## POSITION CLASSIFICATION

The basic unit of an administrative organisation is 'position', which is different from its incumbent. The duties and responsibilities of a post are attached with the position and not with its occupant. Civil servants fit themselves in the positions, positions do not fit themselves to the calibre of civil servants. Classification

means grouping together of persons or things on some common basis. In public administration, it means grouping together of posts into various classes on the basis of their respective duties and responsibilities. According to Prof. Milton M. Mandell, '... by classification is meant the grouping of positions on the basis of similarity of duties and qualifications requirements'.<sup>9</sup> L. D. White defines classification thus: '[I]n its final form, a classification plan consists of a number of classes adequate to enable a place to be found for each existing position, arranged in orderly fashion with respect to each other, and supplemented by a set of rules and regulations for its administration, interpretation and amendment'.<sup>10</sup>

## Different Categories of Classification

There are three principal categories of classification—the service, the class and the grade. The service is the first and the broadest category of classification; the class is the subdivision of service; and the subdivision of class is grade. In India, the IAS, the IFS, and the Secretariat Service are examples of services. Within these services there may be classes as senior, junior or I, II, III, etc., and within a given class there may be several grades of pay.

## Method of Classification

In making classification of positions, the agency has to take into account a number of considerations. They are; (a) field of work, subject-matter or activity of a position; (b) the kind and degree of supervision from above to which it is subject; the kind and degree of supervision flowing from the post downward; (c) responsibility other than supervisory, if any; (v) the difficulty or simplicity or complexity of work; and (d) qualification required for the post.

## Advantages of Classification

The system of position classification was originally devised to meet the demand of equal pay for equal work in order to eliminate the injustice of different rates of salary for the same work in different government agencies. But today it has come to occupy a central position in personnel administration. Its main advantages are as follows.

- (a) It systematises and simplifies personnel administration. With classification, the various posts that run into hundreds of thousands are fitted into a dozen classes or so. If these posts are not classified and the government deals with each post individually, the burden of personnel administration would be unbearable.
- (b) Secondly, classification facilitates the problem of personnel recruitment. It makes it possible for the operating services to determine definitely its personnel needs and inform the recruiting agency accordingly. The recruiting agency prescribes the same kind of tests for the prospective employees of a particular class and prepares a list of 'eligibles' out of which the departments make appointments.
- (c) Thirdly, classification acts as a safeguard against arbitrariness and favouritism in the determination of pay scales for particular classes. It ensures equal pay for equal work.
- (d) Fourthly, it makes possible the establishment and operation of a promotion system that will at once do justice and tend to bring about advancement according to merit. Promotion is made from a lower position to a higher one within the same class. The official can know in advance what to expect by way

of preferment in due course. If there had been no classes and no fixed lines of promotion, anybody from anywhere would be brought to fill up higher vacancies anywhere. That would result in discontentment and loss of morale.

(e) Fifthly, classification facilitates budget-making 'by enabling those having the duty of framing and acting upon the budget to scrutinise with intelligence estimates for personnel'.

(f) Lastly, classification fosters the growth of corporate consciousness, *esprit de corps*, pride, self-respect and morale within each class.

Classification advances the interests of the employees, the management, the legislative body and the tax-payers. Writing about the advantages of classification, Herman Finer observes: 'The experience of all countries shows how necessary is such a classification. Without categories there is no calculation, no comparison, no relative assessments and evaluation, and in a popularly governed State, particularly where publicity and government by political amateurs necessitates easily grasped facts and figures, control ceases where categories end.... The least amount of evil in State service is produced by the best classification'.<sup>11</sup>

There is only one objection to classification—it produces class-consciousness among the services. The higher classes develop a type of superiority complex and the lower classes suffer from inferiority complex. This danger is already clearly visible among our public services. A sort of 'administrative casteism' has swept our administration, thus upsetting harmonious relations between the higher and the lower classes in the services. But this is a defect which is inherent in a hierarchical organisation and is unavoidable in administration. However, it can be minimised by providing a proper system of promotion from lower classes to the higher ones.

If classification is to be effective, it is necessary that it is reviewed from time to time. Positions change their nature and character with every change in the functions of an organisational unit. Therefore, classification must keep pace with the changes in day-to-day administration.

## THE CLASSIFICATION SYSTEM OF CIVIL SERVICE IN INDIA

In India, public services are classified into three categories: (a) All India Services; (b) The Central Services; and (c) The State Civil Services.

**All India Services:** Members for All India Services are recruited and trained by the Central Government but they are assigned to different states on work. They serve State governments and their service conditions are also governed by the States. The existing All India Services are: (a) Indian Administrative Service; (b) Indian Police Services; (c) Indian Service of Engineers; (d) Indian Forest Service; and (e) Indian Medical and Health Service.

**The Central Services:** The Central Services are classified into four categories: (a) Central Civil Services (Class I); (b) Central Civil Services (Class II); (c) Central Civil Service (Class III); and (4) Central Civil Services (Class IV). Within each of the Class I and Class II services there are subject-wise divisions, such as Archeological Service (Class I), Botanical Survey of India (Class I), General Central Service (Class II), and so on.

**The State Civil Services:** These services are under the jurisdiction of the State Governments and administer State subjects.

## POSITION CLASSIFICATION IN USA

The Indian system of classification of public services may be termed as a rank classification system whereas the system prevalent in the USA is a position classification system. Rank classification is based on the characteristics of those holding particular kinds of jobs, and the basis of position classification is jobs. In position classification, a class of position consists of all jobs which are sufficiently equal in duties, responsibilities and qualification requirements to justify holding the same examination for filling vacancies in the class. Briefly, position classification can be defined as grouping of like positions into a class. O. Glann Stahl suggests some stages or steps in the development of a position classification:

- (a) analysing and recording the duties and other distinctive characteristics of the position to be classified;
- (b) grouping the positions into classes on the basis of their similarities;
- (c) writing such standards or specification for each class of positions as will indicate its character, define its boundaries and serve as a guide in allocating individual positions to the class and in recruitment and examinations; and
- (d) installation by allocating individual positions to the classes thus described.<sup>12</sup>

The position classification system has many advantages. First, the analysis and grouping of positions tend to avoid inconsistencies in job specifications. Secondly, it provides line of promotion and helps in establishing standards against which employee performance could be measured. Thirdly, due to detailed knowledge of duties, the training needs could also be accurately diagnosed. Fourthly, it guarantees equal pay for equal work.

However, the position classification system suffers from certain limitations. It is argued that duties and responsibilities of different posts cannot be clearly identified or measured, especially in developing societies. Another problem that arises is that duties undergo change with change in the society. And lastly, exact job specification requires considerable skill which is lacking in developing societies.

The Administrative Reforms Commission in its report on Personnel Administration has advocated for the adoption of position classification system in India, but so far it has not been practised in the Indian Administration System.

## RECRUITMENT OF EMPLOYEES: SPOILS VERSUS MERIT SYSTEM

In order to have a personnel system based on sound principles, it is necessary that it is based upon a merit system. The earlier substitutes for the merit system were three: sale of offices, the patronage system and the spoils system. Writing about the history of the French Personnel System, Herman Finer observes: 'In France until revolution, almost every office, central or local excepting the dozen or so highest offices in the kingdom, were attainable only by private purchase, gift or inheritance. All public offices were a species of private property, and a voluminous jurisprudence governed their transmission'. It may seem odd today to sell public offices to the highest bidder, but it was defended in France in those days on the ground that it brought revenues to the State, enabled the common man to acquire posts and took the public offices out of favouritism and politics.



The patronage system prevailed in England and most of the other countries. Under it the appointing authority selected the candidates on the basis of personal favour or political grounds. The spoils system prevailed in the USA, which was its ancestral home. It means that public office constitutes spoils to be enjoyed by the political party victorious at the polls. When a new party came into power it dismissed all the employees appointed by its predecessor and filled the vacancies with its own favourites. This system is also designated as 'hiring and firing' of public officials and employees. The most vital reason that was advanced in favour of patronage was that the government could not put its policies into operation with the maximum effectiveness unless its key employees were in active sympathy with its political outlook and programme.

## Defects of the Spoils System

The 'spoils system' brings in a number of evils in administration. Summing up its evils, Herman Finer says, 'Sheer inefficiency was the first result, an increase in public costs second, the creation of a class of office seekers third; political corruption, the fourth; a standing battle between the President and Senate for the control of appointments and removals a fifth; and a terrible waste of time and labour on the part of the President and heads of departments, coupled with the real pain of refusal of applications for office, the sixth'.

The far reaching effect of this system is upon the political life of the country. It causes a profound degradation into the life of politicians and 'tends to place the contest of political parties on a materialistic plane of struggle for selfish advantage rather than one for the achievement of ends looking to public welfare'. The spirit of public service is damped and its place is taken by selfish interests and political chicanery. The employees make an illegitimate use of their offices to promote the welfare of their political parties or that of political chieftains to whom they are indebted for their appointment. National interests are thus completely ignored. Anything like a development of a true *esprit de corps* and desire to excel is impossible as the further promotion of employees depends on the political influence that they can exert. This system opened the eyes of American people when President Garfield was assassinated by a disappointed job-seeker and the Congress passed the Pendleton Act that made a beginning in the merit system in 1883.

## The Merit System

In contrast to the spoils systems, the merit system steers clear of the evils of the spoils system. The merit system is a system in which the appointment and conditions of service of an employee are determined solely based upon his own intrinsic merits which includes his educational and technical qualifications, personal capacities and physical fitness. Under this system, recruitment is made through open competitive examination held by a general personnel agency. No distinction is made between citizens on the basis of any party affiliation. Civil servants remain neutral in politics and promotions take place strictly on the basis of merit.

## Advantages of the Merit System

The merit system is obviously superior to the spoils system. It means 'a purification of political life, the doing of justice between citizens in respect of their advancement, the endorsement of the principles of permanency of tenure, and that of making the government services offer permanent careers to their employees,

and it removes the temptation from government employees to misuse the powers of their offices for partisan and personal ends.' The right man is put in the right place and justice done by providing equal opportunities to all citizens to compete for any office of the State. Thus the merit system gives practical effect to the democratic principles of the 'equality of opportunity and equality of treatment for all.'

The merit system existed in China since 186 BCE and though it has been widely adapted in the world, still it would be too much to say that patronage and spoils systems have completely disappeared or the merit system has been universally adopted. In our country, political appointments, that is, appointments to the posts of ministers, parliamentary secretaries, chief commissioners, governors, ambassadors, etc. are outside the merit system. Under Article 320 of the Indian Constitution, the President and the governors are empowered to exclude by regulation from the purview of the Public Service Commissions of their respective jurisdictions such posts as they think necessary.

Recruitment in the technical phraseology of administration means attracting proper and suitable types of candidates for particular jobs. The securing of right and competent persons for administration involve the following issues: (a) location of the appointing power; (b) methods of recruitment; (c) qualifications of employees; (d) methods of determining qualifications; and (e) administrative machinery for determination of qualifications.

## Location of the Appointing Power

The first question to be decided regarding selection of personnel is to which authority the selection of public officials shall be vested, that is, whether the people will directly elect the public officers or will they be appointed by some officer or organ of the government. It is argued that the democracy can have full effect and meaning only when all public officers are directly elected by the people, but it can be made use of only when the service, to which appointment is made, is purely of a policy-making nature or when the service is purely local and restricted. But the people should not be given the right to select the officers whose duties are purely of an administrative, technical or special character, calling for experience and previous training. The officials should therefore be appointed by some organ or officer of the government. The modern practice is that the Chief Executive usually and formally appoints the officers. In the United States, however, the appointment of the more important executives or administrative officers by the Chief Executive does not become effective until approved by the Senate.

## Methods of Recruitment

There are basically two methods of selection—selection from outside the service and selection from within the service. Before examining the relative merits and demerits of the two systems, it may be pointed out that the problem really arises in case of the higher and middle positions only. It is obvious that the lowest posts must be recruited from outside, for there is no lower class of personnel from which to promote, and it is also equally obvious that recruitment of fresh and inexperienced men from outside to the higher positions like those of heads of departments will not do.

(i) *Recruitment from Within:* Recruitment from within is in fact filling up posts by promoting employees from lower rungs. The advantages of this system of recruitment are that it increases the opportunity for advancement within service and the people in service get assurance that they will be promoted under given conditions. It results in better morale of the employees; they are motivated to work efficiently and loyally towards the organisation. It also secures experienced and efficient employees to higher positions, who have had long and varied experience of the work which they are now called upon to perform.

But there are disadvantages of recruitment from within. It narrows down the area of selection. It may sometime result in the selection of a less capable or brilliant officer than could have been found outside the service. Selection solely from within the service leads to stagnation and conservatism. It is argued that occasional injection of new blood into a system, particularly at or near the top, is highly desirable.

(ii) *Recruitment from outside or direct recruitment*: The method of direct recruitment is in consonance with the principle of democracy in as much as all qualified persons get an equal opportunity for selection to public service. It widens the area of selection and, therefore, the best talent in the country may be found. Direct recruitment brings in new blood into the service. In the absence of direct recruitment, those who are promoted to higher positions are promoted at an age when they have lost all initiative and vigour. After serving for a number of years in one of the lower positions, a person comes to develop a somewhat cramped outlook which vitiates his work at a higher position. Experience of a lower position may be far from being an asset in the higher position, be actually a liability. In technical and professional fields, development of new techniques requires new employees to provide leadership in the adoption of such techniques. And finally, recruitment from outside impels the employees to keep abreast of new development in their competent fields lest they might prove inferior in competition for higher posts.

In most of the countries, both the systems are followed. At lower levels there is direct recruitment, whereas the top level positions are mostly filled by promotions. The middle positions are filled by both direct recruitment and certain percentage is fixed to be filled by promotions. The first Central Pay Commission report describes the position in regard to Central Services Class I and Class II thus: 'It is necessary to explain that recruitment to Class-I is made primarily through a competitive examination held by the Public Service Commission (and occasionally by selection by them) and in a lesser extent by promotion (with the concurrence of the Public Service Commission) from Class II. Class II also is in many cases recruited through a competitive examination held by the Public Service Commission (or by selection by them). The proportion of men promoted to Class-II from lower rank is, however, larger than in the case of promotions to Class-I. In some departments, Class-II is entirely filled up by promotion. In the Central Government, departmental examinations are held for recruitment to the posts of Assistants and Section Officers for filling up a fixed percentage of these posts from within. In the Income Tax Department, only 20 per cent of Class-I posts are filled by promotion and the rest by direct recruitment. On the recommendations of the Second Pay Commission, direct recruitment to the grade of upper division clerks are stopped and now these posts are filled up by promotion of lower division clerks. Recruitment to the All India Services is made directly through competitive examination but certain number of posts are fixed for promotion from higher state services.

## Qualifications of Employees

In every country some qualifications are laid down for entry into public service. These qualifications are of two types: (i) general; and (ii) special. In the former are included citizenship, sex, domicile and age and in the latter personal qualities, education, experience and technical knowledge.

### (i) *General Qualifications*

- **Citizenship**: In every country, only its citizens are appointed to public services.
- **Domicile**: Along with citizenship sometimes domicile qualifications are also required for entering into public services. This is, however, an undesirable practice. It violates the merit principle. Candidates having high qualifications may be passed over in favour of persons having inferior qualifications simply because the former do not live in the State. Besides affecting efficiency and talent

adversely it also creates provincialism and a narrow outlook in public administration. In India, the Central Government enacted the Public Employment (Requirement as to Residence) Act 1957. Domicile restrictions in public appointments have been abolished. The Act aims at ensuring equality of opportunity to all citizens in matters of entry into public service and thereby strengthening the administrative unity of the country.

- **Age:** The British and the Indian systems prefer to recruit candidates who are between the ages of 20 and 24. The candidates at this age have received only liberal education and are not experienced and trained. In America, there is no attempt at making government service a career. There, the examinations determine technical qualifications. Hence, the age scale ranges from 18 years to 45 years. The advantages of the American practice are larger freedom of selection, hence better talent and less expenditure to be incurred in training the new entrants.
- **Sex:** Once public service was the exclusive monopoly of men. Women, as a rule, were considered unfit for administrative jobs. But with the spread of the doctrine of equality and the aspiration of women to economic independence, the sex qualification has been removed from recruitment to public services in most countries. Article 16(2) of the Constitution of India provides that no citizen shall, on ground of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for or discriminated against in respect of any employment or office under the State. Thus women have come to occupy a good number of posts including those of IAS, IFS IPS, etc. in public services in India.

(ii) *Special Qualifications*

- **Educational qualifications:** By educational qualifications is meant both the ordinary education that is acquired by the students in general educational institutions and the special education imparted in professional institutions. The British and the Indian systems lay down definite educational qualifications for entrants such as Higher Secondary School certificate for clerical jobs and graduate degree for executive jobs. In India there is no discrimination between liberal and scientific education. The subjects of the competitive examination are so broad-based as to include every subject. In America there is no requirement of formal education for entry into government jobs of a non-technical character. In 1944, the American Congress forbade any educational requirement except for scientific, technical and professional positions. However, there are advantages of the system of formal educational qualifications in that only those who have chance to compete with success take the examination. If no formal educational qualifications are required, everybody can compete, which will result in great waste of public funds and the task of the Public Service Commission shall become unmanageable. In India, the educational qualification prescribed for the All India Services is a Bachelor's degree in arts or science from any recognised university.
- **Experience:** By experience is meant the training that a person receives in the actual performance of the work. For example, a person who, after obtaining a degree, serves as a teacher in some educational institution for four years, has a teaching experience of four years. In the USA, experience is usually required for technical services. In other countries for all public services experience is regarded as an additional qualification.
- **Technical knowledge:** It means the possession of technical skill required for proper performance of duties of that particular position. For example, to become a Civil Engineer it is necessary to have a degree in Civil Engineering.

(iii) *Personal Qualifications*

It ranges from good moral character to energy, resourcefulness, tact, reliability, punctuality, executive ability and even personal appearance and manner. The ranks of modern administration demands of its employees high administrative skills. These skills have been summarised by Pffner as follows:

- a flexible, but essentially scientific mode of thought, characterised by a recognition of the need for coordination
- familiarity with the subject matter of organisation and management;
- facility at problem solving;
- a highly developed reading and writing ability;
- ability to settle vexing situation through interpersonal contact.

## Methods of Determining Qualifications

Generally the following methods are adopted to determine the qualifications :

(a) personal judgement of the appointing officer; (b) certificates of ability, character and education; (c) record of previous experience—educational and professional; and (d) examination—competitive and non-competitive. We shall examine each method separately.

(a) *Personal Judgement of the Appointing Officer*: This is the simplest and the oldest method of recruitment. Under it the appointing officer himself makes his own personal judgement in making selections. This system can procure good results when the number of appointments to be made is small and it is possible for the officer to give to the matter the time and attention that are required, and he is not under political pressure and is free from personal considerations. But in actual practice these conditions are rarely met. Many services are of such vast size that the head of the department making appointments cannot give that much time and attention as is required for the purpose. Moreover, the task of ascertaining the qualifications of the candidates is so technical and difficult that it cannot be performed single-handedly and, therefore, requires the assistance of a body of experts. Finally, the officer making appointment is subject to political and personal pressure very often, which is sometimes exceedingly difficult for him to resist. The factor of personal judgement may have controlling weight in the appointment of private secretaries and other officers having a specially confidential character.

(b) *Certificates of character, ability and previous experience*: The certificates of character and ability from responsible persons and of experience from the previous employer help to make a preliminary estimate of the candidate's capacities and qualities. The certificates should be issued uninfluenced by extraneous considerations and should describe the candidate's achievements truly.

(c) *Examinations*: The preceding devices, valuable as they are in determining the fitness of the candidates, have their definite limitations. The method of personal judgement is open to arbitrary judgement and personal considerations. The method of securing certificates of ability and experience can help only to make a preliminary selection and cannot be made the sole criterion of judging the suitability of the candidates. Therefore, provision is made to subject the candidates to examinations of various types.

Examinations are mainly of two types—competitive and non-competitive. The purpose of a competitive test is to determine which of the candidates satisfy the minimum standards required and then to

determine their relative positions in order of merit. The non-competitive test confines itself to determine merely which of the candidates satisfy the minimum standard required.

*There are four basic types of examinations:* (i) written examinations; (ii) oral examinations; (iii) performance demonstration; and (iv) evaluation of education and experience. These may be used singly or in combinations according to the nature and grade of the post.

**(i) Written Examinations:** Written examinations are generally used in all the countries for judging the qualifications of the candidates. A written examination may be so designed as to test either the general ability and intellectual calibre of the candidates or their knowledge of the specific subjects related to the duties of the job under recruitment. In India and England the purpose of examination is to judge the general intelligence of the candidates. Candidates appearing for higher civil services in India take examinations in the subjects that they learn at universities. In the United States examinations are held to test the specific knowledge that the candidate has concerning the job that he has to perform.

*Essay-Type and Objective-Type Tests:* Another variety of written examination may be essay-type or short-answer type. Under the former the candidate is required to write a fairly long essay in answer to a question while under the latter answers to the questions are not in essay form but mostly in 'Yes' or 'No' or in one or two words. The 'true or false' questions are put and the candidate has just to say whether the statement is correct or incorrect. Sometimes he has just to fill in the blanks or provide the missing words. The purpose of essay-type test is to assess the knowledge of the candidate about facts, and his ability to reason and argue about a problem. His power of expression, of logical analysis and arrangement and of clarity of thought is tested through this type. The main defect of this system is that the marking by the examiners is largely subjective and sometimes differs sharply from one examiner to another.

The merits of short answer type areas follows:

- The marking can be quite objective. If an answer is correct, it gets full marks. Otherwise it gets nothing. There is no room for subjective vagaries of the examiners.
- When tests are 'short questions', much can be known about the candidate in a short time and so it is fairer and more reliable.
- These tests are cheaper to administer. With the correct answers pointed out to them, even clerks can do the marking. Thus both time and money are saved.

But through these tests expression or language of the candidate cannot be examined. Some Americans believe that if these tests are prepared carefully, they can measure judgement, reasoning and ability of the candidate much more precisely and exactly than the essay-type.

**(ii) Oral Tests or Interview:** A written examination, it is said, does not reveal the true personality of the candidate. To properly judge the qualities of initiative, presence of mind, power of decision, etc., which are vital in a successful administrator, one should resort to oral tests or interview. An oral test is intended to obtain a look at the candidate and to detect his positive or negative qualities. It thus serves as a corrective of the estimate arrived at through written examinations.

*Types of Interview:* Interview may be of four principal types. The first type, known as the selection board procedure, is an independent method of selection in itself and not an ancillary to the written examination. The second is to supplement written examination, usually used to test the candidate's grasp of the subject relating to the post. The third type is one in which the candidates first appear in an open competitive examination which includes written papers and thereafter are required to appear before an interview board

whose object is to judge the personal qualities such as initiative or presence of mind. Marks obtained in the interview are added to those obtained in written examination. The fourth type is the so-called 'weeding interview', whose object is to make a preliminary selection of the candidates before they are allowed to take the written examination. No candidate takes the examination unless he has first been approved by the interview board. It does not form a part of the competitive examination that follows.

**(iii) Performance Demonstrations:** To recruit personnel for skilled crafts and trades like electricians, stenographers, typists or mechanics, the performance test device is employed. Candidates are actually given a piece of work in their line to do, which would prove how well they do it. Thus stenographers may be given a dictation and typists a piece of passage thus to find out their speed and accuracy. This test may be used in itself or it may be supplemented by written tests to judge the candidate's knowledge of the technical terms, tools and methods of his trade.

**(iv) Selection by Evaluation of Qualifications and Experience:** This method is used for selecting candidates for those posts for which written examinations are not suitable. Specialist personnel for medical, legal, scientific and other similar posts are selected in this way. The candidates are called upon to produce evidence of their possessing necessary qualifications and experience. An interview board assesses these qualifications and selects the candidates after interviewing them.

## Administrative Machinery for Determining Qualifications

The administrative machinery for determining qualifications should be an independent and impartial body of persons who might not fall a prey to political maneuverings. Such an agency is the Public Service Commission. It is not only put in charge of the recruitment and examination of public personnel but is also entrusted with other duties having to do with personnel matters, such as that of exercising supervision and control over the operating services with respect to their observance of laws and regulations governing promotion, transfer, leave pay, etc.

## RECRUITMENT SYSTEM IN INDIA

In India, services are classified into three major categories: All India Services, Central Services and State Services. The All India Services are common for the Union and the states. Candidates for these services are recruited by the Central Government and then they are assigned to different states. The Central services are concerned with the administration of Union subjects and the officers of these services are exclusively under the control of the Union Government. The state services administer the subjects within the jurisdiction of the states, such as land revenue, agriculture, education and health, and the officers of these services are exclusively in the employ of respective State Governments.

### Age

In India, the age limit varies from one service to another. A candidate for the Indian Police service should be between 20 and 26 years of age. But the upper age limit has been raised by two years since May 1998 as a result of raise in the age of retirement from 58 to 60 years. For all other services the minimum age limit may be relaxed in case of candidates of the Scheduled Castes and the Scheduled Tribes and such other categories of persons as the Government of India may notify.



## Written Examination

There is a combined written examination for recruitment to Indian Administrative Service, Indian Foreign Service, Indian Police Service and some Class I and Class II services. The examinations are held once a year. No candidate is permitted to compete for more than three times at the examinations for these services. These examinations comprise both written tests as well as interviews. The written test consists of the following:

- (a) Compulsory papers: (i) Essay; (ii) General English; and (iii) General Knowledge.
- (b) Optional subjects: they cover a wide range and variety of disciplines. A candidate for IAS and Central services has to opt for any three optional papers, whereas a candidate for Indian Police Service must select any two of the optional papers. Some combinations of papers are, however, restricted for different services.
- (c) Additional or Advanced Optional paper: A candidate for Indian Administrative Services and Indian Foreign Service has to select any two of the additional subjects also, along with the three optional subjects.

## Interview

Those candidates who qualify in the written tests are called for interview. The qualifying marks for the written test are generally 50 per cent of the total marks for the written examination. The interview is in fact a personality test where marks are awarded for candidate's intelligence, past record and other personal qualities. Previously, some minimum percentage was fixed for qualifying the viva-voce and failure in it disqualified a candidate, however brilliant his performance in the written papers may be. Now, there are no minimum qualifying marks for the interview. Whatever marks a candidate obtains in the interview are added to the marks obtained by him in the written examination and a final list is prepared on that basis. The final order of merit is determined by the total gained in the written examination plus the interview.

The Union Public Service Commission recommends the candidates to the Government on the basis of the merit list, in the order in which the candidate stands in the list. A separate list is prepared in case of candidates for scheduled castes and scheduled tribes because a certain number of vacancies are fixed for them. The recommendations of the Commission are normally accepted by the Government.

The states have their own Public Service Commissions to recruit personnel to their civil services and they function on the model of the Union Public Service Commission.

## Central Secretariat Services

In addition to the All India Services, Central Services and State Services, there is another kind of service which was previously known as Imperial Secretariat Service but at present is called the Central Secretariat Service.

This service, for manning posts in the Central Secretariat and the attached offices, was created in 1950. The service was originally organised into four grades, namely, Grade I (Under Secretary or equivalent), Grade II (Superintendent), Grade III (Assistant Superintendent) and Grade IV (Assistant). Subsequently,



a new grade, called the Selection Grade, comprising officers of the service appointed to posts of Deputy Secretary and equivalent rank under the Government of India was added. Appointments from Grade I (Under Secretary) to the Selection Grade and from Grade II (Superintendent) to Grade I of the Central Secretariat Service are made entirely by promotion on the basis of merit from Grade III (Assistant Superintendent). Half the number of vacancies in Grade III is filled by direct recruitment on the results of the combined competitive examination held for recruitment to the Indian Administrative Service and allied Central Services, and the remaining half by promotion from Grade IV (Assistant). Half the number of vacancies in the grade of Assistant (Grade IV) is filled by direct recruitment on the basis of results of open competitive examinations held by the Union Public Service Commission and the remaining half by promotion from the clerical grades.

Besides the Union Public Service Commission and State Public Service Commissions, there is the Railway Service Commission for the recruitment to Indian Railways. Statutory corporations like the Life Insurance Corporation, Damodar Valley Corporation or Indian Airlines Corporation have their own personnel agencies charged with the function of recruiting the required personnel. It may however be noted that sometimes the written examinations are dispensed with for recruitment. For example, emergency recruitment was made only on the basis of 'Personality Test' to fill the void which was created as a result of the partition of the country and the large scale retirement of British personnel.

## The Current Selection Method of the UPSC

The Union Public Service Commission appointed a Committee on Recruitment Policy and Selection Methods under the chairmanship of D. S. Kothari to suggest suitable changes in the existing method of recruitment. The committee submitted its report in March 1976 and the Government of India accepted the main recommendations of the Committee on 30 October 1978. In its report, the committee recommended a preliminary examination comprising objective type questions, general studies and an optional subject, for screening the large number of candidates who possess minimum qualification for the post for which they have applied.

For this test a Question Bank has been set up in various disciplines. These questions are classified according to the subjects and the type of ability which they are designed to judge.

On the basis of the recommendations of the committee, the Government of India has made the following decisions:

- (a) There will be a single civil service examination for the Indian Administrative Service, the Indian Police Service and Central Class I and Class II services.
- (b) There will be a preliminary qualifying examination for the candidates willing to appear for the civil services examination.
- (c) Those who qualify the preliminary examination will appear at the main examination which will include a written test as well as an interview.
- (d) The question papers will be set in English and Hindi, except for English and the language paper. The candidates will be free to answer these papers in English or in any one of the regional languages listed in the Eighth Schedule of the Constitution of India.

## **PUBLIC SERVICE COMMISSION**

The Public Service Commission came into existence for the first time in 1926 when the Central Public Service Commission was established under the Government of India Act, 1919. It was renamed as the Federal Public Service Commission after 1 April 1937, on the introduction of the Government of India Act, 1935. This Act had also made a provision for the creation of Provincial Public Service Commissions. Our present constitution provides for a Public Service Commission for the Union and a Public Service Commission for each state, but it also provides that if the legislatures of two or more states authorise the Parliament by resolutions, it may establish a Joint Commission for those states. Moreover, the Union Public Service Commission may also, if requested by the Governor of a state, agree, with the approval of the President, to perform the work of a State Commission.

### **Composition of the Public Service Commission**

The number of members constituting the Union Public Service Commission or a Joint Public Service Commission and the conditions of their service are determined by the President of India, and that of the State Public Service Commissions by the Governor of the state concerned. The number of members varies between seven to nine and usually three to four for State Public Service Commissions. The members of UPSC and of the Joint Commissions are appointed by the President and those of the State Public Service Commissions by the Governor. It has been further provided that one-half of the members of the Commission, Union or State, must have held office for at least ten years either under the Government of India or the Government of a state. A member holds office for six years or until he attains the age of 65 years (in case of the UPSC) or 62 years (in case of a State Commission), whichever is earlier.

### **Independence of the Public Service Commission**

The Public Service Commission is an independent statutory body constituted under Article 315(I) of the Constitution of India. In order to emphasise and ensure the independence of a State Commission, first the Constitution debars the Chairman from further employment either under the Government of India or the Government of a state. A member other than the Chairman of the Union Commission is, however, eligible for appointment as Chairman in that Commission or in a State Public Service Commission, but for no other Government job. The Chairman of a State Public Service Commission is eligible for appointment as the Chairman or as a member of the Union Public Service Commission. A member of the State Commission is eligible for appointment as the Chairman or as a member of the Union Commission or as a Chairman of that or any other State Commission.

Secondly, Article 317 of the Indian Constitution provides that the Chairman or a member of a Commission can be removed from office by order of the President on the ground of misbehaviour only after the Supreme Court, on a reference being made to it by the President, has on enquiry reported that the Chairman or the member should be deemed guilty of misbehaviour, if he becomes interested in any Government contract or agreement or participates in any way in its profit or in any monetary benefit arising from it otherwise than as a member and in common with the other members of any incorporated company. The same Article also provides that the President may by order remove from office the Chairman or any other member of the Public Service Commission, if he is adjudged as an insolvent or engages during his term of office in any paid employment outside the duties of his office or is, in his opinion, infirm in mind or body.

Thirdly, the conditions of the service of the member cannot be varied to his disadvantage after his appointment and his salary and other emoluments are charged on the Consolidated Fund of India or the state concerned, as the case may be, and they are not votable by the Parliament or the State Legislature concerned.

## Functions of the Public Service Commission

The functions of the Commission as prescribed in Article 320 of the Constitution fall into two categories: (a) administrative; and (b) advisory. The administrative functions relate to the recruitment to all civil services and posts under the Union Government or the state government by written examination or interview. The advisory functions relate to advising the Government on all such matters:

- (a) matters relating to the methods of recruitment, principles to be followed in making appointments to civil services and posts, and giving promotions or transfers from one service to another;
- (b) all disciplinary matters affecting government employees;
- (c) any claim by or in respect of persons who are servants or have served under the Government in a civil capacity; and
- (d) matters relating to reimbursement of any expenses incurred by them in defending legal proceedings instituted against them in respect of their official acts and in any claims for the award of compensation in respect of injuries sustained by the Government servants while on duty.

It is usually obligatory for the Government to consult the Commission in all these matters. The President can, however, make regulations specifying the matters in which either generally or in any particular circumstance or class of case, it shall not be necessary for the Government to consult the Commission. Such regulations have to be placed before the Parliament. Article 321 of the Constitution further lays down that an Act made by the Parliament may provide for the exercise of additional functions by the UPSC in respect of the services of the Union and also in respect of the services of any local authority or other body corporate constituted by law or any public institution.

## Annual Report of the Commission

The Constitution provides that it is the duty of the Union Public Service Commission and the State Public Service Commissions to present annually to the President or the Governor, as the case may be, a report of its work. Immediately after the receipt of such a report, the President or the Governor is required to lay it before each House of Parliament or the State legislature together with a memorandum of the cases where the advice of the Commission was not accepted and reasons for such non-acceptance. It may be remembered that though technically the selection of candidates by the Public Service Commission is only in the nature of recommendation to the Government which it is free to accept or reject, yet the advice of the Commission is as a rule accepted by the Government and the number of cases in which the Commission's advice is not accepted is really negligible.

## Defects in Our Recruitment System

Our system of recruitment has been very much appreciated because of the fact that merit is given due consideration in selecting the candidates. Yet Paul Appleby, A. D. Gorwala and others have pointed out

certain defects in our recruitment system in the reports that they have submitted on the working of Public Administration in our country. The glaring defects in our recruitment system can be summed up as follows.

(a) In a democratic country, as far as possible, all the posts should be filled up on the recommendations of the Public Service Commission. But in our country as elsewhere also governments are empowered to exclude from the purview of the Public Service Commissions such posts as they think necessary. The Government should use this power sparingly. There is, on the other hand, a tendency on the part of our governments to declare more and more posts beyond the jurisdiction of the Public Service Commission. Recruitment to these posts is done by the Government itself not necessarily on the basis of merit. It gives rise to favouritism, nepotism and corruption. It is, therefore, desirable that the number of such posts is reduced to the minimum and the Public Service Commission should be the only medium through which personnel should be recruited.

(b) Though the position of the Public Service Commission is that of an advisory body and the Government reserves to itself the right to disregard their advice, yet the recommendations of the Commission should never be turned down, otherwise it would give rise to suspicion that the advice of the Commission was ignored to take in someone in whom the department was interested. Fortunately, such cases are very rare in which the advice of the Commission has not been accepted by the Government. Yet it would be appreciated that there should not be even one such case, so as to eliminate even the least suspicion of favouritism on the part of the Government.

(c) In our recruitment system, some posts are reserved for certain special classes of people like the Schedule Castes and Scheduled Tribes at the cost of merit of other people. Nobody would bear a grudge giving special concession to the backward people in matter of appointments, yet safeguards should be provided to maintain the efficiency of administration which is likely to suffer by appointment of those people who do not score as high as others in open merit competition.

(d) The examination techniques, in the words of Paul Appleby, are not up-to-date and not fully related to modern knowledge about administrative qualifications. Besides, the candidates for All India Services and Central Services are subjected to one and the same type of examination which is not proper. A. D. Gorwala aptly remarks: 'The technique must differ for different grades and different requirements'.

(e) Our interview system is also not without fault. It has been given undue weight. Besides, there is an element of chance in an interview test. There is no denying the fact that it gives a candidate from the upper social strata a natural advantage over those coming from backward families. But one cannot fully depend on the interview system to judge the personality of a candidate. A. D. Gorwala rightly remarks in his report 'Fifteen minutes' conversation with laymen, although possessing the wide experience of the Public Service Commission, can be no substitute for an expert psychological examination designed to give a scientific insight into the candidate's mental and emotional make-up. Our interview system therefore needs a change so as to include psychological and aptitude tests which are very much in use in the Western countries. Further, the interview should be somewhat specialised, dealing with precise subjects as is the system in France so that a candidate should not find himself floundering in an uncharged sea of general knowledge.

(f) The Public Service Commissions never try to restrict the field of eligibility. For example, every graduate is eligible to sit for competitive examinations, with the result that for a dozen or a score of

posts thousands of graduates would compete. That is a wastage of time, money and energy both of the Commission and the candidates. It would be better if a certain percentage of marks is fixed as minimum as a condition of eligibility for such competitive examinations. That would make ineligible such candidates as have obtained less than the required marks, and would thus lighten the work of the Commission.

## Probation System

Since it is not possible to judge accurately the merits of candidates at the time of recruitment, it is just possible that some unfit candidates might enter the service. Therefore, it is observed that appointments at first should be made on provisional basis and the appointee should be on probation. Probationary system is thus an indispensable part of the appointment process. The period of probation is generally fixed at six months or a year, extendable by another year, at the end of which the appointees will receive a permanent appointment, if their work was satisfactory during the probation period, otherwise be dropped. As the conference committee on Merit System in the United States pointed out in its report, 'The probation period should be considered as an opportunity for the appointing authority to complete the selecting process. No formal tests, however well devised and however carefully conducted, will prove infallible. The final test is actual performance. For this reason the new appointee should be carefully supervised and critical observation should be made of his work during the period of probation'. The desirability of a probation system is beyond any dispute. This system is better than demotion or dismissal of the appointee at a later stage. The appointee joins the service with a clear understanding that he has not been permanently appointed but is being given a trial. If he performs his duties efficiently during the trial period, he will be confirmed, otherwise may be dropped. This system is desirable from the point of view of the Government and that of tax payers as well. Efficiency in administration depends mainly upon the ability of the employees. Hence, it is necessary that the government, before appointing any candidate permanently, should make sure that he is a capable hand and will discharge his duties in a most efficient manner.

## TRAINING

### Meaning of Training

The formal meaning of training is 'practical education in any profession, art or handicraft to improve or increase an employee's skill, and to develop his attitudes and schemes of values in a desired direction'. Felix A. Nigro and Lloyd G. Nigro consider training to be the specific preparation received just before entering public employment or at a later point in the career and directed towards the performance of the duties assigned to the individual.<sup>14</sup>

### Need for Training

The administration of public affairs has become such an intricate task under the stress of fast-changing social and economic conditions that it requires the services of trained men and women. The activities of the State are no longer confined today to the maintenance of law and order but cover a wide variety of functions in the new fields of education, health, industry and social welfare. The office worker today handles a number of mechanical instruments like the telephone, the duplicating machine or the

computers, the use of which requires trained skill. Higher officers in the formulation of policy now require a broad vision which may enable them to handle properly the entire entangled web of administration. The administration today has to adjust itself to the temperament and ideas of the people. All these require a suitable system of training of the public servants. The Assheton Committee (1944: para 118) on the training of civil servants (in Britain) remarked in this connection that nowadays 'the civil service needs to be more consciously directed towards still higher ideas and standards of service and this can only be done by planned and purposeful training'.<sup>15</sup> Therefore, in recent times increasing attention has been given to the training of officials.

## Objects of Training

The main object of training is 'efficiency', that is, to improve the effectiveness of the work of a public officer. It improves his power, skill and understanding, and develops in him the capacity to adjust himself to his new situations. The other objects of training are as follows.

- (a) It should endeavour to produce a civil servant whose precision and clarity in the transaction of business can be taken for granted.
- (b) The civil servant must be attuned to the tasks which he will be called upon to perform in a changing world.
- (c) There is a need to develop resistance to the danger of a civil servant becoming mechanised by the machine, whilst we must aim at the highest possible standard of efficiency. The purpose is not to produce a robot-like, mechanically perfect civil service. From the very beginning, the recruit should be made aware of the relation of his work to the service rendered by his department to the community. The ability to see his role in a broader setting will make the work not only valuable to his department but more stimulating to himself.
- (d) Training must be directed not only to enabling an individual to perform his current work more efficiently, but also to fitting him for other duties and, where appropriate, developing his capacity for higher work and greater responsibilities.
- (e) Even these ends are not sufficient in themselves. Large numbers of people inevitably have to spend most of their working lives performing tasks of a routine character. With this human problem even in the background, training plans to be successful, and must pay substantial regard to staff morale.

Training, in fact, can solve a variety of manpower problems which militate against optimum productivity. According to Richard Johnson (1976: 2), these problems include needs to:

- (a) increase productivity;
- (b) improve the quality of work and raise morale;
- (c) develop new skills, knowledge, understanding and attitudes;
- (d) use correctly new tools, machines, processes, methods or modifications thereof;
- (e) reduce waste, accidents, turnover, lateness, absenteeism, and other overhead costs;
- (f) implement new or changed policies or regulations;

- (g) fight obsolescence in skills, technologies, methods, products, markets, capital management, etc.;
- (h) bring incumbents to that level of performance which meets (100 per cent of the time) the standard of performance for the job;
- (i) develop replacements, prepare people for advancement, improve manpower development, and ensure continuity of leadership;
- (j) ensure the survival and growth of the enterprise.<sup>16</sup>

Training has thus become an elementary need for the effective working of any organisation and in almost all the countries training programmes of public servants are organised.

## Types of Training

Training may be classified according to its methods, duration, the stage of the employee's career at which it is given, the agency which imparts it and the object aimed at. Thus the classifications may be: (a) formal and informal training; (b) short-term and long-term training; (c) pre-entry and post-entry training; (d) departmental and central training; and (e) skill training and background training.

### *Formal and informal training*

Formal training means just giving certain lectures and instructions to the employee concerning the work that he has to do. He may be told through these lectures and instructions the nature of his duties and the procedure and code of conduct which he should follow in the office.

Informal training is training by experience, which the employee himself acquires gradually in the course of actual performance of his job. He gets this training when he actually comes into contact with files, papers and officers. It is self-acquired education. The experience of actual work teaches him the technique of work. Writing about the importance of such training, A. D. Gorwala observes: 'The young man on his side imbibed standards, sometimes without even being told'.

Informal training has definite advantages but it is the 'hard way' of learning and can fully succeed only in case of the most persistent pupils. In the case of an average employee, it may lead to the formation of bad habits and breed much frustration. Therefore, if informal training is to succeed, the superior officers should take great interest in the new entrants and guide them in a sympathetic manner.

### *Short-term and Long-Term Training*

The difference between short-term and long-term training is based upon the duration of the training course. If training is given for a continuous and long period, say one or two years, it is long-term training. But if it is for only a month or two it may be termed short term training. The duration generally depends upon the case or difficulty of the subject-matter of training and the needs of the service.

### *Pre-entry and Post-Entry Training*

Pre-entry training is given to prepare future recruits for the service. It is intended to enable an aspirant to pass an examination or otherwise to show fitness for appointment. The training generally takes the shape of vocational or professional instructions at technical schools and colleges, such as medical or engineering schools or colleges.



Post-entry training, on the other hand, is training for an employee who is already in service. This type of training is defined as the process of aiding employees to gain effectiveness in their present or future work through the development of appropriate habits of thought and action, skill, knowledge and attitudes. For example, policemen are trained in police duties at Police Training Schools established for the purpose.

The general issue concerning pre-entry training is whether it should be of a general type or specifically designed for the needs of the Government. The British and the continental system recruits members of very young age on the basis of their general qualifications. General education at the pre-entry stage has a number of advantages. Firstly, what is required at this stage is to broaden the mental horizon of the youth. Lord Macaulay's dictum that 'Men who distinguish themselves in their youth above their contemporaries almost always keep to the end of their lives the start which they have gained,' has much force behind it. Public Administration, though it is becoming technical, needs the services of such men who have broad vision and wide outlook.

Secondly, training programmes imply absorption in permanent service. But everybody who gets a training in public administrative services cannot be obviously provided for by the government service as it is very much limited. It is an obvious waste of public money to train mere birds of passage. If aspirants for government service get only the general education, they may be absorbed elsewhere if they do not get the public service. Their rejection for government service would not create any stalemate in their career.

Thirdly, if pre-entry education is not general but specialised, it would mean that education would be subjected to the need of the Government and would cease to be the foundation of culture and civilisation. It will no longer be based upon the ideas and moral values of the people.

The United States, which does not accept the principle of government service as a career and prefers a specialised and vocational pre-entry training, has now begun to realise the defects of its system and emphasise the need for general education.

### ***Departmental and Central Training***

When arrangements for training are made within the department or the office itself, it is called departmental training. Such training is mostly imparted by the more experienced officers of the department or the office. But when training is imparted by Central training institutions for example, the Training and Education Division of the British Treasury or the National Academy of Administration in India, it is called Central Training. Sometimes individual departments also maintain their regional training institutions, for example, the police training schools in many states of India, to train their police officers.

### ***Skill and background training***

When the purpose of training is to instruct the entrants in some specialised technique it is called skill training, for example, a teacher's training is intended to develop his teaching skill, a police officer's in the prevention and detection of crime, and an income-tax officer's in the assessment of income tax. But when training seeks to teach certain general subjects which help the trainee to understand the general background and nature of his work, it is called background training. Its purpose is not to increase one's skill in a particular task but to provide a general background of the work. The training at the National Academy of Administration at Mussorie is an example of background training.

## **Methods of Training**

The following devices are employed for training public servants.



### ***On-the-job training***

In on-the-job training the workers or employees receive training while carrying out their regularly assigned duties and responsibilities. The apprenticeship training can be considered as the best example of this method of training. Here the training function is performed by the supervisors who, through coaching, help the new entrants learn the necessary skills of the job. In administrative services, on-the-job training means instructions received from colleagues of greater experience or higher rank.

The effectiveness of this type of training largely depends upon the senior officer's interests and qualities. Methods like specific delegation of responsibilities, group discussions and planned rotation of postings are used to impart greater effectiveness to on-the-job training. According to T. N. Chaturvedi, 'No amount of background training and skill training can supplant the need for on-the-job training'.

### ***Training by Communication***

This means informing the employee about the nature of work, rules and regulations of the department in which he has to work through communications such as periodic conferences, circulation of office bulletins, rule books, sets of instructions or informative booklets, etc.

### ***Formal instruction or Lecture Method***

This method involves personal tuition by senior officers, lectures by departmental officers or outsiders covering a wide field of subjects, discussion groups or regular instruction at a school or college. Lecture is an economical method of delivering factual knowledge to large group of people, but there is no guarantee that learning will take place. Here there is mainly one-sided communication, that is, from the lecturer to the listeners. Another drawback of this method is that everybody gets the same treatment at the same pace, and individual abilities, interests and motives are not recognised.

Martin M. Broadwell suggests three basic requirements for successful classroom instruction. These are 'involvement', 'accountability' and 'feedback'. For lectures to be effective it is necessary that the learners be involved as much as possible, that they be made responsible for learning, and that there be high amount of feedback from the learners. If these conditions exist, the lectures also can prove to be a good device of training.

### ***Conference method***

Under this method all the trainees are gathered together into a meeting under the chairmanship of a senior officer. In this meeting the trainees themselves discuss the matters, compare notes with one another and put forward their own viewpoints. The function of the chairman is to guide the discussion by putting an occasional word here and there. The trainees exchange ideas and learn from one another. The conference benefits the group through pooling ideas, information and knowledge from many sources. It stimulates thinking and the ability to work together in teams. This method can be more advantageously used for exploring problems to which answers are unknown and for developing a new philosophy or technique.

### ***Seminar and workshop***

In a seminar, group discussions are held by highly experienced people, who work under minimum formal leadership, to discuss a subject to which ready answers are not available. In a seminar or workshop, various group techniques are used such as case studies, role playing or the incident process. A single short meeting of one or two days may be announced as a workshop. In this a speaker or panel presents information to the

group. The seminar then adjourns into several smaller teams, sometimes identified as 'buzz groups', whose members discuss questions assigned to them by the chairman. Later, these groups reconvene as a whole seminar body and the leader of each group reports briefly on his group's deliberations.

### **Case Study**

This method describes a real or stimulated situation to provide a common basis for analysis, discussion and problem-solving. The case may be delivered orally, in writing, in pictures or on records. The case technique stimulates the participants to sift out the facts, distinguish between the important and non-essential, analyse data, organise their thoughts logically and synthesise evidence.

### **The Incident Process**

In the incident process the participants employ the incident to gain facts needed for a solution or decision. This process consists of five steps:

- (1) **The Incident:** Each candidate receives a written account of the event describing the issue.
- (2) **Fact-finding:** Conferencees are forced to ask questions of the discussion leader who has all the facts, in order to ascertain the important details surrounding the situation. The leader provides only the answers to specific questions asked.
- (3) **The issue:** The leader encourages the group to define the main issue as well as those accompanying incidents which the members identify.
- (4) **The Decision:** Each participant records his decision concerning the incident and his approach for resolving the problem. After he hands in his signed form, the seminar breaks into teams, respective spokesmen are appointed, and each group discusses the merits of its proposal.
- (5) **Evaluation:** The whole group reassembles in the plenary session for the evaluation of the incident.

The incident process helps to develop skills in obtaining facts by questioning, and other leadership abilities.

### **Role-Playing**

This technique is a skit which portrays a simulated situation. The selected group members act out the events that highlight the case or incident, thus enabling the remainder of the group to observe and analyse the performance.

### **In-basket Method**

This training method consists of a collection of letters, memos, articles and reports. Each participant might also receive an organisational chart, an orientation outline concerning the enterprise, the names and position titles of key managers and employees and their inter-relationships. This technique is a testing device. The participant has to attempt to resolve the issues raised by the abundance of papers with their accompanying problems. It is a useful technique for testing ingenuity, adopting and problem-solving abilities of the participant. When the documents in the basket have been examined and disposed of, the leader conducts a discussion as to what action each participant took and the reason for it.

### ***Sensitivity Training***

This technique takes the form of an unstructured lab and is usually referred to as a T-group or training group. The main purpose of this technique is to learn human relations, improved communication and leadership skills. The T-group has no formal structure, no specific goals, no relations or rules and no agenda. The leader conducts the group, normally in a non-directive style. The T-group philosophy encourages the value of free questioning, experimentation and participative learning.

### ***Programmed Instruction***

Programmed learning stresses the individual's terminal behaviour rather than the verbal message. In designing and preparing a programmed instructions manual, the writer determines in advance what conduct and performance he expects the student to display following his completion of the training period. Under the programmed instruction technique the learner is provided with an exercise book or teaching machine, and is guided through the various processes. Each process contains a small body of information or questions. The process or frame requires choosing one of multiple answers with a pencil check mark or pressing a machine button, or recording the response in a blank space provided. The main advantages of this method are that it can be introduced at different locations, it ensures consistency of learning input, and all participants commence the course on a relatively equal basis.

### ***Videotape Recording***

The main benefit of this equipment is that it can immediately replay the activities which the participants may view. It enables the learners to observe precisely where the performance went wrong or where the exercise was done correctly.

There are a number of methods of training, but in practice no one method can be called the best. Hence, a combination of few methods is used for training the public servants. The need, however, is that whatever method is adopted for giving training it should be systematised and properly planned. The instructors should be of higher status and understanding than the trainees. The training officers should not be simply theorists but must have sufficient knowledge of the practical problems of the service; only then they can do justice to their job.

## **Essentials of Training for Administrative Officers**

There is no consensus of opinion about the subject matter of training for administrative officers. Suggestions in this field range widely from a good knowledge in classics and philosophy to a study of politics, economics and public administration. Gladden (1948: 83–86) is of the view that the training of an officer should include three things: (a) a training in the basic clerical techniques given through study of subjects like office practice and organisation, book-keeping and outlines of the Central Government; (b) a departmental training in the routine and specialised technique of the official's own department; and (c) those destined to fill the leading positions in the hierarchy must acquire in addition a knowledge of the theory of Public Administration.<sup>17</sup>

Determining training needs is, however, a crucial problem. No training can be effective or useful unless it caters to the requirements of training. Hence the basic necessity is to determine the requirements of training. For this the problem areas are to be identified first and then the possible solutions considered. Then only training needs can be determined.

## Training in India

The problem of education and training of civil servants in India has assumed special importance in the post-Independence era. Many new problems, particularly in the social and economic fields, have cropped up, making the task of civil servants extremely difficult. The vast and expanding horizons of public administration demand a special type of skill on the part of civil servants, and this has added to the significance of training our services in the fields of development administration. The Planning Commission, in its publications 'Administration and Public Cooperation', rightly observed: 'Next to recruitment, the training of personnel has considerable bearing on administrative efficiency. Each type of work in the government requires a programme of training suited to it. In general, in all branches of administration, it is necessary to provide for the training of personnel at the commencement of service as well as at appropriate intervals in later years. In this connection we would emphasise the importance of careful grounding in revenue and development administration for recruits to the Indian Administrative Service and the State Administrative Services.

## Training System During the British Rule

The traditional system of training of services in India has been to make the new recruits learn the job by doing it. Of course during the British period there had been the system of attaching the ICS officers to a British University, usually Oxford or Cambridge, for a period of two years in the case of those selected in India (later reduced to a year in 1937) and one year in the case of those selected in the United Kingdom. During this period the probationers were given sound grounding in Indian Law, Indian History and an Indian language. At the end of the period of probation, they were required to take an examination in these subjects and also in riding. The main purpose for this training was to bring the Indian candidates into close contact with British life and to give them an opportunity to broaden their outlook.

## Training System After Independence

After Independence, when the Indian Administrative Service was constituted in place of the Indian Civil Service, the Home Ministry set up an Indian Administrative Service Training School in Metcalfe House, New Delhi, in 1947. Later on, the Planning Commission recommended the conversion of this school into a sort of staff college for combined training in IAS and other allied services. It also recommended the appointment of a Director of Training for organising systematic training programmes and refresher courses for different grades of employees. The Government, at a later stage, appointed the Chanda Committee to go into the whole question of training. The recommendations of the Committee were:

'The best training in any service is provided by the actual doing of the jobs for which the services exist. Much time and wastage can, however, be saved by providing a certain amount of basic training to shorten and facilitate the process of learning by doing. Such basic training has to be both 'general' (that is, applicable to all higher public servants) and 'special' (that is, relevant to the needs of particular service). The 'general' part comprises the basic knowledge which higher public servants should possess, e.g., the main principles of the Constitution, the role of public servants in a Parliamentary Democracy, the organisation of the machinery of Government at the Centre and in the States, the principles of Public Administration and personnel management and the techniques of public relations. It should also include a knowledge of

Economics in general and Indian Economics in particular, an appreciation of India's social and economic problems.

The 'special' part of the basic training would cover studying the Acts and Rules relating to the particular service, departmental procedures, etc. The course of training in the IAS Training School covers both the general and the special parts of the basic training needed by IAS officers. Arrangements for training of the Audit Service Officers, Income Tax, Railways, etc., have been made by the ministries concerned, but these are confined largely to the 'special' part of the training.

The Home Ministry agreed with Chanda's suggestions and started Refresher Course at the IAS Staff College, Simla. Later on, the Government merged the IAS Training School, Delhi, and IAS Staff College, Shimla, and in their place a National Academy of Administration was set up at Mussorie which started functioning from 1 September 1959.

In the year 1968, a separate Training Division was established in the Ministry of Home Affairs. Later, in the year 1970, on the recommendations of the Administrative Reforms Commission's Report on Personnel Administration, the Training Division as part of the Department of Personnel and Administrative Reforms came under the Cabinet Secretariat. However, in 1977, the Department of Personnel and Administrative Reforms, including the Training Division, again became part of the Ministry of Home Affairs.

The major functions of the Training Division are as follows:

- (a) Giving advice on training matters to the Governments at the Centre and in the states, as well as to the Public Enterprise Management;
- (b) Making long-term as well as annual training plans for the Government of India and, providing assistance to the State governments and major training institutions in the matter of plan preparation;
- (c) Providing support to all training organisations and institutions;
- (d) Designing training programme, tailored according to the specific requirements of personnel in the development agencies and other organisations;
- (e) Conducting seminars, conferences and other programmes related to training for special groups of development administrators and trainers;
- (f) Ensuring coordination of training activity in Central Government training organisations, between training institutions at the Centre and in the states, and among the other various training institutions;
- (g) Monitoring and evaluating training to see that it conforms to the pre-determined plan priorities and that it contributes to the overall development of staff and organisations;
- (h) Promoting research related to training and development, and production of training materials for wider use;
- (i) Acting as a clearance house for all information related to training;
- (j) Identifying appropriate programmes of training abroad for civil servants from a wider range of disciplines and arranging for their training under various technical cooperation programmes and other programmes.

The Training Division shall contribute to the continuing improvement in Indian Administration so that it is able to fulfill the aspirations of the people for development at an accelerated pace.

## **Training for the Indian Administrative Services (IAS)**

The members of the Indian Administrative Service (IAS) receive their foundational training at the National Academy of Administration, Mussorie (popularly known as Lal Bahadur Shastri National Academy of Administration). The academy is a premier centre of administrative training in India. It is responsible for the induction, training as well as in-service training of the top level administrators.

The administrators and technical personnel, after their recruitment to the various services such as IAS, IFS, IPS, IRS, etc., are required to undergo a foundational training course at the academy. This foundational course is common for all All India and Central Services. During this period the members are acquainted mainly with the Indian constitutional framework, the machinery of Government and the principles of public administration. After completion of this training, the members go to different training institutions for institutional training. However, the members of the IAS receive their institutional professional training at the academy itself. The Government has introduced a new pattern of training known as 'sandwich' training. The 'sandwich' training of the members of IAS involves foundational and institutional training at the academy followed by field training in the state to which he is allotted, which in turn is again followed by a training at the academy. At the end of this second spell of training, the IAS probationers have to appear at an examination which is conducted by the Union Public Service Commission.

After qualifying this examination the probationers are confirmed in the service and are sent out to the districts for further practical training which lasts for about five to six years. During this period they are attached to various branches of district administration such as revenue, development, general administration and so on, where they learn the various jobs by doing them under the guidance and supervision of senior district officers. After completion of this period, they are designated senior posts.

## **Training for the Indian Police Service (IPS)**

The IPS probationers receive their training at the Indian Police Academy, Hyderabad. The course of training includes military training, in addition to thorough instruction in the duties and responsibilities of a police officer. At the end of a year's training at the academy, the probationers have to pass an examination conducted by the Union Public Service Commission. After passing this examination they are posted as Assistant Superintendents of Police (ASP) in a district.

## **Training for the Indian Foreign Service (IFS)**

The probationers of the Indian Foreign Service also get training at the IAS Training Academy together with the IAS probationers. However, the syllabi of the IAS and IFS officers differ. The latter are given instructions in such subjects as International Law, Diplomacy, Asian History, and Geography, to suit their special requirements. After completing their training at the academy, they are usually attached to foreign universities for further education and training.

## **Departmental Training Schools for Other Central Services**

Departmental schools have been established for some of the departmental subjects. Recruits to the Indian Audit and Accounts Service get a year's training in the Indian Audit and Accounts Service School at Simla. The Income Tax Service probationers get training at the Income Tax Training School at Nagpur. The Railway Board maintains a Staff College at Baroda for the training of its probationers.

## Institute of the Secretariat Training and Management (ISTM)

To impart training to the Secretariat Staff of the Government of India, a Secretariat training school was established in New Delhi by the Home Ministry in 1948. In 1971, the school was rechristened as the Institute of the Secretariat Training and Management. The institute is primarily responsible for the training of officers recruited to the Secretariat and other organisations of the Central Government. It provides induction training for section officers and officers of the lower level belonging to the Central Secretariat. The Institute also organises in-service training programmes for under-secretaries and other officers.

There are other institutions also which organise various training courses sponsored by the Training Division. Such training programmes include Advanced Professional Training Programme, Programme for Development Personnel, Management Development Programme and Executive Development Programme. Advanced Professional Training Programme is meant for senior personnel. It is designed to expose them to new developments in the field of Management. Programme for Development Personnel is designed to assist the development administrators and technical experts in acquiring new knowledge in their specialised fields and share their experience with their colleagues. The Management Development Programme and the Executive Development Programme are meant for senior administrators where they are exposed to new developments in the field of management.

The institutions where such programmes are conducted include the Indian Institute of Public Administration, New Delhi; the Administrative Staff College of India, Hyderabad; Indian Institute of Management, Ahmedabad; Indian Institute of Management, Bangalore; Institute of Development Studies, Trivandrum; Indian Institute of Technology, New Delhi; HCM State Institute of Public Administration, Jaipur; and many other universities and institutions.

## Training at the State level

At the state level, most of the states in India have their separate training institutions, mostly in the form of State Institute of Public Administration such as Punjab's Mahatma Gandhi Institute of Public Administration at Chandigarh, Haryana's Institute of Public Administration at Gurgaon and so on. The training activity in the state can broadly be put under two categories:

- (a) Induction training programmes conducted for newly recruited officers which they must attend after their selection. These training programmes enable the young recruits to develop proper skills necessary for handling future jobs. Only after successful completion of this training do the officers get their first appointment. The induction training consists of 'foundational training', which acquaints the entrants with the various administrative processes in the present context and 'professional training' which is related to the jobs which the recruits shall handle after their training. Professional training comprises both theoretical and practical knowledge about various administrative skills.
- (b) In-service training is generally aimed at improving job performance and career development. Various training programmes are organised from time to time for different levels of civil servants.

In almost all the states there is a separate Department of Personnel and Administrative Reforms which, besides its other activities, coordinates training activities of various governmental agencies. The various government departments also organise training programmes for their personnel.



## Conclusion

The Government of India is alive to the need and importance of training in its services as is evident from the speed with which training institutions have been established. However, the system needs reorientation to meet the changing requirements of the country. Training has to be more objective and should keep pace with the process of development. Training in the government has to be more result-oriented and largely impressed with a problem-solving approach. For this it is necessary to train personnel to think more in terms of applications, activities of institutions and solutions to their problems and less in terms of academic abstractions often drawn on the basis of foreign experience. In future, civil servants have to be trained to move with the changing times. The training programmes should be so designed as to acquaint the trainees with the use of scientific aids, forms of organisational behaviour, managerial skills, styles of leadership, and methods of motivating men. Moreover, training should also aim at attitudinal reorientation of the civil servants so that they may perceive and seek a fresh role in a changing society.

## CAREER DEVELOPMENT

Career development is one of the essential ingredients of a sound personnel system. A civil servant will not like to stagnate and frustrate in the position to which he is initially recruited and appointed. He will be keen and ambitious to rise to higher levels in the hierarchial organisation. To achieve this, he will have to equip himself with the latest knowledge, skills and techniques of his professions, in other words, to strive for career advancement through career development.

‘Career development’ thus connotes enrichment and enhancement of one’s qualifications, training and experience to be entitled to elevation of higher echelons of administration. Various opportunities, avenues and means exist and are provided for in a personnel system of every country for career development. These should be exploited and utilised by the civil servants aspiring for advancement in their civil service careers. The provisions for career development available for civil servants may be briefly mentioned as follows.

- (a) Acquisition of additional academic qualifications by availing of the facilities provided by directorates of correspondence courses or distance education, open universities like Indira Gandhi National Open University (IGNOU) and some states open universities, and technical institutes or professional bodies.
- (b) The participation/enrolment in training courses on one’s own by payment of prescribed fees or on being sponsored by the Central/State governments for such courses for a specific period. Indian Institute of Public Administration, New Delhi conducts Master’s Course on Advanced Public Administration and training programmes for various categories of civil servants on subjects of their specialisation to which the government deutes their officers from time to time.
- (c) By attending prescribed courses for a stipulated term as a part of their training, enabling them to occupy position of higher ranks. For example, the IAS and State Services Personnel undergo such trainings at the National Academy of Administration. Similarly, college and university teachers are provided the facilities of participating in orientation courses and refresher courses in their respective subjects of teaching at the academic staff colleges set up by the University Grants Commission in various universities. Participation in these courses is obligatory to entitle them for higher positions and higher pay scales, The UGC also provides for ‘career awards’ for young teachers for career development by devoting a couple of years to research projects, the period of career award being considered as duty leave from the educational institution concerned.



(d) Career development is also managed through study or training abroad by securing grants, scholarships, fellowships for different periods through one's own initiative or by sponsorship from the Central/State governments which depute a specified number of their civil servants for such assignments.

(e) The Central/State governments have entered into agreement with foreign governments for education and training of their employees under various exchange programmes. International bodies, such as the United Nations, World Health Organisation, UNESCO, ILO and financial institutions also provide numerous facilities and opportunities for career development under their various schemes which are availed of by civil servants.

Thus civil servants interested in their career advancement are expected to be conscious and aware of the chances available for their career development and avail themselves of them to the maximum extent. It is rightly observed that career development is a prerequisite to career advancement. There is no denying the fact that career advancement depends upon a large number of factors: links and contacts with the high-ups and the power that be, the politicians, role of money, etc. But primarily it is career development which is basic to career advancement. Career development comprises a strong will to go higher and higher, determination, devotion and dedication and seriousness of purpose to be achieved. There are numerous instances of career advancement, through career development—a primary school teacher reaching the top position of Director of Primary Education, a lecturer or an official occupying the office of Vice-Chancellor of a university, an MBA finding a berth in World Bank and so on. Career development is thus indispensable to become a civil servant of distinction, fully equipped to discharge his duties of service to the public at large.

## PROMOTION

### The Meaning of Promotion

In the words of L. D. White, 'Promotion means an appointment from a given position to a more difficult type of work and greater responsibility, accompanied by change of title and usually an increase in pay'. Promotion should be distinguished from 'advancement' and 'increase in compensation'. Advancement or what is also called 'administrative promotion' has been defined as a personnel administrative device which pertains to 'an advance in pay by a prescribed increment within the scale of pay appropriate to a given position'. The employee enters the service in a fixed grade and as he progresses in his service and accumulates more experience, he goes up higher and higher in the scale of his salary. 'Advancement' or 'administrative promotion' differs from promotion proper in as much as it does not entail any change in status duties or responsibilities. It is merely an advancement in emoluments which is usually automatic.

### Types of Advancement

Advancement can be of three types depending on (a) tenure of service in the position; and (ii) efficiency of the employee. Sometimes tenure of service and at other times efficiency of the employee is considered for advancement. A good personnel system, however, is one which gives weight to both tenure of service and demonstrated efficiency of the employee, for purposes of advancement. The three types of advancements are as follows.

## **The Automatic Advancement System**

Under this system an employee gets increment or advancement on the basis of length of service. Immediately on the completion of a year's service, he gets his annual increment prescribed in the scale of his pay. Whereas this system of automatic advancement minimises the chances of personal jealousies because the employee is ensured of his regular increment, it leaves his officer helpless and ineffective to control and supervise him. It also makes the employee lethargic and lazy for it is not the quality of his work but the tenure of service which is important for gaining advancement. This system serves as disincentive to the more industrious and hard-working employee.

### ***The conditional advancement system***

Under this system efficiency of the employee is made the sole criterion for advancement. Increments are given if the head of the organisation certifies that the employee has been doing his work efficiently and there is definite improvement in his quality of work and conduct. No doubt, this system serves the purpose of whipping the bad employees, and as an incentive to good work it is open to suspicion of corruption and nepotism. It is based upon the subjective consideration of the head of the organisation who, how much impartial he may be, is likely to suffer from the errors of human nature. This system is very common in small private organisations but practically finds no place in large scale private and public organisations.

## **The Semi-Automatic Advancement System**

This system adopts a middle course as against the above two systems. Under this system an employee gets his regular increment on the completion of a year's service provided he has put in good work to the entire satisfaction of the head of the organisation. The head of the organisation can withhold the increment if he is not satisfied as to the quality of work and conduct of the employee. For this, definite reasons have to be given by the head to his employee.

From a brief study of the above three different systems of advancement, it goes without saying that the last system scores over the other two systems. It strikes the middle course and is a compromise between the two extremes. However, even in this system, the head of the organisation can misuse his powers but he cannot act arbitrarily because he is required to give reason for his action to the affected employee.

### ***Promotion and transfer***

Promotion must be distinguished from transfer. An employee is transferred from one place of work to another in the same grade and in the same position whereas promotion upgrades him and makes him share heavier and greater responsibilities. Transfer is usually effected on account of the following grounds.

#### ***On the request of the employee***

When an employee makes a request to the head of the organisation so that he may be transferred to a particular station because of certain conveniences, he would get at that station. He is transferred provided he can be adjusted and a vacancy exists at the station of his choice.

#### ***Routine transfer***

It is usually seen that organisations do not prefer very long stays of officials at a particular station. They believe that transfer gives an employee a change of working environment which refreshes his mind and increases his efficiency.

***Transfer for training of the employees***

Sometimes, transfers are effected in order to give all-round training to the employee in the different aspects of departmental work. This is a part of in-service training programme of a good organisation to rotate its employees so as to equip them with different types of work in the department.

***Transfer to avoid retrenchment***

In order to avoid retrenchment of employees, the government and large-scale organisations usually resort to inter-departmental transfers. This saves the employees from unemployment and the other departments from fresh recruitment.

***Transfer as punishment***

This is, critically speaking, a first step in demotion. When an employee is ill-suited for his job or when he becomes a headache to his immediate supervisors, he may be transferred from an A grade station to a B or C grade station without actually demoting him. Similarly, a good employee may be transferred from a B or C grade station to an A grade station as a reward for his efficient work.

From this, it is clear that transfer is a matter of individual or departmental adjustments. Of course, an employee may be transferred when he is promoted, but it would be rightly called 'transfer-on-promotion' or 'promotion' and not 'transfer'.

**Importance of Promotion**

The existence of a proper promotion system is vital for attracting talented persons to public services and preventing them from migrating to private ones. Lack of a promotion system has a marked retroactive effect on all the processes of personnel administration. It has a discouraging effect on recruiting. It tends to deter ambitious and capable workers from entering the public service. It frequently causes efficient workers to leave the public service for work in private enterprises. It discourages workers from entering upon courses of training calculated to prepare them for increased usefulness in public employment. It makes difficult the maintenance of discipline and of goodwill and enthusiasm throughout government establishments. As a result, it renders difficult the maintenance of high standards of individual and group efficiency. A good promotion system keeps employees interested in the job and works as a continuously effective incentive too.

**Essentials of a Proper Promotion System**

In view of the great importance of promotion system it is essential that it must be based on sound lines. A badly planned promotion system harms the service not merely by pushing ahead unqualified persons but also by undermining the morale of the whole group. The influence of a good promotion system is all-pervasive. It is an important phase in a career service. The failure to establish a good system of promotion would give rise to a number of evil consequences. First, it would have an adverse effect on recruiting. Capable persons would not like to enter public services. Secondly, there would not be any incentive to do good work, thereby affecting adversely the efficiency of the administration. Thirdly, it would lower the moral standards of the officers and employees which would make the maintenance of discipline difficult among them.

According to W. F. Willoughby, a sound promotion system should fulfil the following conditions:

- (a) adopting of standard specifications setting forth the duties and qualifications required for all promotions in the government service;
- (b) classification of these positions into distinct classes, series, grades and services;
- (c) inclusion within this classification of all the higher administrative positions except those having a political character;
- (d) adoption, as far as possible, of the principle of recruitment from within for filling up of higher posts;
- (e) adoption of the principle of merit in determining the promotion of employees;
- (f) provision of adequate means for determining the relative merits of employees eligible for advancement.

The point which is to be emphasised is that the employees should be made aware not only of the opportunities for promotion open to them but also of the definite lines along which such promotion is to be expected and the conditions that must be fulfilled by them for the purpose. This means that there should be a definite goal before them towards which they can work.

## Lines of Promotion

Normally promotions are departmental, that is, a vacancy in a higher post in a department is usually filled from among the employees of that department even though older or more experienced officials may be awaiting their chance for promotion in another department. Inter-departmental promotions, however, occur in these cases that is, (a) in connection with the higher posts, for example, of the Secretaries or Heads of Department; (b) when no suitable candidate is available in the department to fill a particular post; (c) when a new department is created or an old one is expanded.

If promotions are departmental then equality of opportunity for advancement for the civil servants as a whole is difficult to be secured because in some departments, especially of an expanding nature like Social Welfare and Education, chances of promotion may be much more plentiful than in others. To give equality of opportunity for promotion, schemes for pooling promotions have been advocated. Under such a scheme, all the officers judged fit for promotion are entered into a central pool, from which promotions are made as and when vacancies occur. This scheme has, however, been criticised. First, importation of outsiders creates discontent and frustration among the employees of the department thus superseded. Secondly, an officer coming from another department may not be able to efficiently perform the work of the department to which he has been newly promoted. Thirdly, it is difficult to devise a common standard to judge the competence of officers from various departments for selecting them for entry into the central pool.

Within the department, the line of promotion is determined by grades, classes and the services. An employee is promoted from one grade to the next higher grade within the same class. Though inter-class promotion is not unknown, yet it involves special selection. Inter-service promotion is rare, for example, a medical officer cannot be promoted to an engineering post. Technical officers, however, can be transferred and promoted from technical service to administrative service, for example, an engineer working in the Local Self Government Department may be appointed by promotion as Secretary in the same department.

## Principles of Promotion

It is to be recognised that everybody entering service cannot go up to the highest post in due course, as there are not enough of higher posts to permit everyone's promotion. A large number of public servants, therefore, cannot get any promotion and they retire from the same class in which they had joined. The employees who have not been given promotion should be made to feel that their exclusion from promotion is not arbitrary and that they cannot be promoted in terms of some recognised principles. The morale of public services would be destroyed if promotions are made capriciously without considering any principle. Hence the importance of principles of promotion. Generally speaking, there are two main principles of promotion, namely, seniority and merit.

The seniority principle means that the tenure of service would determine the order of precedence in making a promotion. According to this principle, an employee who has longer service to his credit would receive the promotion. Determination of seniority is not, however, a simple affair. A public servant of a higher grade is senior to those who are in lower grades. Similarly, an employee of a higher class, though actually getting less pay, is senior to an employee of a lower class who is getting more pay at the time. Among employees of the same grade, one who has been holding a substantive post longer than his rival is senior.

The seniority principle has certain definite advantages over any other principle of promotion. Under this system the length of service determines the qualifications for promotion and hence internal strife for advancement is eliminated. There are little chances of favouritism and hence it boosts the general morale of the employees.

The principle, however, suffers from a number of drawbacks. First, it does not lead to the selection of the best among the eligibles. There is no guarantee that the senior person will also be more competent than his juniors. There are chances that an inefficient or less competent person may come as the head of competent impairing the efficiency of administration. Secondly, the principle of seniority is unable to ensure reaching of higher positions by every officer and his holding it for a reasonable period. Thirdly, if seniority is alone the basis of promotion, employees would not make any effort for self-improvement. Lastly, seniority does not necessarily coincide with age, specially in a grade which is partly recruited directly and partly by promotion and so a ludicrous position may result wherein young people may come to be placed over the older.

It is difficult to pass any final judgement on the merit of the seniority principle. In its extreme form the principle of seniority is a contention for the acceptance of mere tenure of service as the basis of promotion. In its mild form it means that seniority should determine the order in which the officers should be considered for promotion, but those found unfit may be passed over. This may be called seniority-cum-fitness principle. A third form of the principle is that seniority should be the determining factor in the lower stage of the service, while for the higher services the merit principle may be employed.

In principle, it is agreed by all that (a) in promotion to higher posts merit alone should be the consideration to the exclusion of seniority; (b) in promotion to middle posts, merits should be the primary and seniority the secondary consideration; (c) in promotion to lower posts of a routine nature, seniority should carry greater weight.

In spite of all the arguments against seniority, it may be said that it is still firmly entrenched as a principle of promotion.

## Merit Principle

The principle of merit means that promotion would be made on the basis of qualifications and achievements of the employee irrespective of his tenure of service. The most meritorious or best qualified person would be selected for promotion. This principle would provide due incentive to efficient and hard-working

employees and thus help build up the general morale and efficiency of the department. It would favourably affect the entire personnel system. Merit is, however, a complex concept. It is not easy to measure it objectively. Generally speaking, there are three methods of judging the merits of the candidates: (a) personal judgements of the Head of the Department; (b) promotional examination; and (c) service ratings.

## **Personal Judgement of the Head of Department**

The determination of merit for promotion may be left to the judgement of the head of the department who has been in close contact with the employees and thus is in the best position to know about their qualities. Moreover, he being in charge of discipline and morale of his department must have a direct hand in determining awards, as he has in giving punishments. This system has the advantage of being both simple and comprehensive.

But there are two serious limitations in this system. First, it can work only in small organisations. In large scale organisations, as public administrations today are, it is not possible for the head of the department to be in close touch with all employees and make a personal judgement of the capabilities and capacities of each one of them. Secondly, this system is highly subjective and may easily create the impression of favouritism or arbitrariness in promotion. Though good intent normally prevails, yet it may be sometimes obscured by political, factional or personal considerations.

## **Examinations for Promotion**

Promotion may also be made on the basis of a written examination which may be an open competition, a limited competition, or merely a pass examination. In an open competition, anyone, whether in the service or not, can compete for the post of promotion. Thus outsiders not working in the department can also compete for promotional tests. This system is justified on the ground that it widens the range of selection without prejudicing the interests of the present employees since they will benefit by their special knowledge of government work. Moreover this system brings in new blood and fresh ideas into the department which will have a rejuvenating effect upon it. But outsiders who take the higher jobs from those who 'deserve' them are demoralised.

The second system is that under which examination is a limited competition among those who are already in the service. This is also known as 'closed system'. This system is preferred by employees in the lower grades. It is followed by the Central Government in regard to the recruitment to the posts of Section Officers, Assistants, Stenographers, etc. Besides examination, an equal weight is given to the confidential reports of the employees in deciding their overall merit.

The third type of promotional examination is the pass examination in which a candidate has just to pass the examination and give a proof of his minimum attainments. The employee will be promoted only if he has passed the pass examination. This system is followed in India in junior clerical, typist, steno and other mechanical jobs.

It is felt that the examination method eliminates favouritism, corruption and arbitrary promotions. The method is quite objective and relieves the promotion-making authorities of the troublesome responsibility of making selections. However, it is looked upon with disfavour by many scholars of personnel administration. It is considered to be an interference with the ordinary official work of the candidates and is thus detrimental to public interest. Secondly, examination is not an adequate test of the personality of

the employee. An intellectually superior person may not be a man of initiative, tact and judgement, which cannot be judged through written examination. Apart from it, memorising things for taking an examination is extremely irksome to older employees. There is an age to learn things; after crossing that age it is difficult to memorise new facts and figures. As a proof of this, one has only to look to the discontentment of the aged assistants and clerks of the Central Government who have been passed over by the younger persons, both in seniority and permanency, on account of these examinations. Due to these defects, the examination method is not generally used for determining the merits of employees for promotion except in those cases where the number of candidates from among whom promotion is to be made is exceptionally large and where technical knowledge is an important requisite for the posts to which promotions are to be made.

## Efficiency Rating

The other system of judging the qualification of employees for promotion is on the basis of service records, which are also sometimes called efficiency rating or service file. It may be carefully noted that maintenance of service records of employees is not by itself efficiency rating. Such records only furnish the data on the basis of which efficiency may be evaluated. Today the size of government organisations is so large that no officer can be supposed to remember about the efficiency of individual employees working in his department under him. Therefore, a written record of the service of the employee and his performances is kept, which proves a valuable aid in judging the merits of employees at the time of promotion.

## The Promotion-Making Authority

Generally, there are two views about who should have the authority to make promotions. One of them is that promotions such as recruitment should be in the hands of an independent external agency like the Public Service Commission. The other view is that the head of the department or other official heads should be given the power of making promotions. The first system, it is argued, will eliminate the possibility of favouritism, prejudice or victimisation in promotion. But against this system it is said that an outside agency is not competent to determine the merit of employees as they were not doing work under its observation. In promotion it is the worth of actual work of the employee and not his mere intellectual qualifications which forms the most important factor. Again, if an outside agency is given the power to determine promotions, it may destroy service discipline and the responsibility of official heads for ensuring efficient work. Since it is the responsibility primarily of the head of the department to ensure efficiency and discipline of his subordinates, it is but right that he should be vested with the power to give rewards and punishments. So far as the risks of favouritism and prejudice are concerned, they can be avoided by providing suitable procedure and machinery of promotion. Some sort of central agency may be established to exercise general supervision over promotion and ensure that certain fundamental principles such as the merit system and making use of some method for determining the relative merits of those eligible for promotion are observed by the head of the department. If an employee feels that he has been unjustly passed over, he may be given the right to appeal to the Central Agency. This right would act as something of a check upon the head of the department.



## PROMOTION SYSTEM IN INDIA

The governing principles of promotion in India are seniority and merit, but they are not observed uniformly in all cases of promotion. In some administrative departments seniority is given more weight, and in others merit. But seniority is the general rule. As for the suitability of these two principles of promotion in the various departments, the first Central Pay Commission recommended that 'for many situations specially those in which long familiarity with office work is itself adequate training, the rule of seniority may generally be followed.... In higher grades of service consideration of fitness must have precedence over the claim of seniority'. The second Pay Commission recommended that the members of Class II and Class III services should be given an opportunity of promotion to All India and Central (Class I) Services through a limited competitive examination. This would provide an incentive to the members of lower classes, especially young officers of outstanding merit.

The Estimates Committee of the Lok Sabha, in its Ninth Report on Administrative, Financial and other Reforms, suggested that there should be a uniform promotion policy. It laid down certain principles of promotion system as follows:

- (a) Promotion should be solely on the basis of merit regardless of the seniority of the persons concerned in service.
- (b) Persons should be judged for promotion by the people who have watched their work and conduct over a period.
- (c) Promotions should be made on the recommendations of a committee consisting of not less than three officers, at least one of whom is acquainted with the work of the person concerned. In each case, the committee should record in writing the grounds on which claims, if any, of persons senior to the person selected were overlooked.
- (d) In judging the person on the basis of the confidential report on him, it should be seen whether he was warned in time of the defects noticed in his work and conduct, and that if he did not show improvement he was warned again. (e) If no warning has been given to a person, it should not be presumed that the reports on him are so good as to justify his promotion.

Technically speaking, the promotion-making authority in our country is the Government or the Head of the Department concerned, but promotions to higher posts are generally made in consultation with the Public Service Commission both at the Centre and in the states. It is provided in our Constitution that the Public Service Commission may be consulted on the principles to be followed in making promotions, transfers from one service to another and on the suitability of candidates for such appointments, promotions and transfers. So far as promotions to other grades of service are concerned, there is no uniform procedure. In some cases, promotions are made by departmental heads themselves, in some the Public Service Commission has also to be consulted and still in some others, the approval of the Finance Department is also needed.

The promotions to the highest administrative or other posts—Secretary, Joint Secretary, Deputy Secretary—are made from a 'pool' which consists of such candidates as have been selected by a Selection Committee appointed by the Government in consultation with the Public Service Commission. These candidates are selected after interviewing them and examining their official records. The ministers make appointments to the top posts in their respective departments from this pool. Sometimes they do not have a free hand in selecting the top officers of their departments. The Prime Minister or the Chief Minister



of the state concerned approve such appointments on the advice of the Finance Ministry or the Home Ministry at the Centre and the Chief Secretary in the states for the obvious reasons that they are the best judges of the needs of all the departments whereas the Ministers shall have no appreciation of the needs of the departments other than their own.

The system with regard to promotions to other posts in some departments is that the selections are made by a Departmental Promotion Committee or Board consisting of a member of the Public Service Commission as Chairman and senior officers of the ministry or department who have personal knowledge of the work of the officers out of whom the selection has to be made. The recommendations of the Promotion Committee are placed before the Public Service Commission for ratification. The departmental head makes promotions according to the confirmed list and if he has to make any deviation from it, he has to apprise the Public Service Commission of the change along with the reasons for doing so.

Sometimes, selection for promotions from the State Civil Service to the IAS is also made. It is done by a Special Committee for each state, which consists of a Chairman or a member of the UPSC and some IAS senior-most officers of the state as members. The committee prepares a list of officers of the State Civil Service suitable for promotion to the IAS on the basis of merit and suitability in all respects with due regard to seniority. The list is then submitted to the Union Public Service Commission for approval and promotions are made from the approved list as vacancies arise.

## Criticism of Our Promotion System

The promotion system in India, as mentioned earlier, is not without defects. It has been criticised both by the services themselves and by the public in general. The main points of criticism against the existing system of promotion are as follows:

- (i) The Head of the Department is given too much discretion in recommending names out of which selection is to be made. There have been many complaints by some claimants whose names were not forwarded to the promotion board by the Head of the Department for reasons best known to him.
- (ii) The system of evaluating the efficiency of employees is also not satisfactory. The entries made in their records by their immediate officers are not shown to them except when these are against them, nor is there any appeal against adverse remarks.
- (iii) Promotion boards or committees do not exist in every administration department, and in the absence of such a machinery promotions are haphazard and arbitrary. The aggrieved candidates have no means of making an effective appeal either.
- (iv) Promotions are made within classes and often within cadres of a class which makes higher public service more or less a closed shop.
- (v) Another defect of our promotion system is that there is no declared policy of the government as to the basis on which regular promotions are to be made. Sometimes promotions are made by the departments on the basis of tenure of service or seniority, sometimes on the basis of merit as adjudged by a departmental committee, and at other times through selection by the Public Service Commissions. Promotion policy is adjusted according to the whims and caprices of the high-ups; this results in undue favour towards a few employees. This type of wrangling attitude of the government is certainly to be decried. It is, therefore, extremely desirable for the government to declare its promotion system and stick to it so that every fresh recruit is in a position to know his future career.

There is no doubt that it is difficult to evolve a promotion system that would be satisfactory for each, as neither the seniority principle nor the merit principle can be acceptable to all. Anyhow, a suitable machinery and procedure is possible whereby chances of injustice should be minimised. The Central Pay Commission accordingly recommended that the use of promotion boards or committees should be widely made use of because it is the safest and most convenient method. The staff representatives should also be associated with such boards. The official records and evaluation of efficiency reports of the employees should be kept in a systematic way and an effective machinery for appeal against suspicious promotions should also be provided. It is gratifying to note that much is being done in our country to secure a perfect system of promotion along these lines.

## Pay and Conditions of Service

A proper pay structure is the sine qua non of an efficient personnel system. In the United Kingdom, Royal Commissions/Committees—Northcote-Travelyan Commission (1854), Anderson Committee (1923), Tomlin Commission (1931), Priestley Commission (1953-55), Fulton Commission (1966-68) and Megaw Committee (1982) were appointed to go into the pay structure and conditions of the civil services.

In India too, various pay commissions were constituted during the British rule. In the post-Independence period, as many as five Central Pay Commissions have been constituted at the national level since 1946. The states have also been appointing their own Pay Commissions Committees. The Fifth Central Pay Commission was appointed in 1994 with Justice S. R. Pandian as its Chairman. It submitted its report on 30 January 1997. Some of the states have been accepting the recommendations of the Central Pay Commission as did Haryana in case of the recommendations of the Fifth Central Pay Commission. The state of Punjab has appointed as many as four Pay Commissions beginning with 1968. The Fourth Pay Commission was appointed on 21 July 1994 with Justice S. S. Sandhawalia as its Chairman.

Various commissions and committees had enunciated principles to be followed in determining the pay structure and conditions of service of civil servants. Anderson Committee (1923) had observed: 'In our view, there is only one principle in which all the factors of responsibility, cost of living, marriage, children, and social position etc., are included. The employer should pay what is necessary to recruit and to retain an efficient staff. Priestley Commission spoke of 'an efficient civil service fairly remunerated' expressed more fully as the maintenance of a civil service recognised as efficient and staffed by members where remuneration and conditions of service are thought fair both by themselves and the community they serve. This ideal can in fact never be absolutely achieved but the aim must be to approach it as closely as possible.

## Principles of the Pay Structure

The salient principles of pay structure and conditions of service of civil servants may be enunciated in brief as follows:

- (1) *Requirements of a pay system:* There are three major requirements of a sound pay system: inclusiveness, comprehensibility and adequacy. Inclusiveness implies that the broad patterns of pay scale that have been adopted for the civil services will be uniform everywhere in comparable areas. Comprehensibility means that a sound pay system should normally give a total and true picture of emoluments of a post rather than being fragmented into a number of allowances. Adequacy means that the civil servant must feel that his emoluments are adequate with respect to his skills,

educational qualifications, experience and duties and responsibilities, and that they are comparable to his peers outside.

- (2) *Market Value Principle*: This principle rests on supply and demand considerations. In the opinion of the Islington Committee, the State should pay no more than what is necessary to attract employees of the right quality, in the first instance, and to maintain them in such a degree of comfort and dignity as well as keep them efficient and above temptation while in service. This principle is also called the recruitment-retention principle. In India particularly, where unemployment and extreme poverty are rampant, the principle has been described as exploitative. Anyhow, it is a purely economic criterion which still has some relevance in the present trend of liberalisation of the economy and the acceptance of market forces.
- (3) *Fair Comparison Principle*: This principle means that the civil service pay should be a fair comparison with the current remuneration of outside staff employed on broadly comparable work taking account of differences in other conditions of service.
- (4) *Internal Relativities Principle*: Pay structure is also to take cognizance of internal relativities—vertical and horizontal. The former envisages different pay structures for the supervisor and for those he supervises, and the latter envisages a claim to equivalence or parity with allied or comparable jobs within the service itself.
- (5) *Principle of State as a model employer*: This principle holds that the government should give to its employees salaries and wages much higher than that what other good employers pay for comparable work. The State has to keep a balance between the economic realities within the country vis-a-vis the social objectives. It is obvious that government employees are not to be raised to the level of a privileged class and employment therein be made a high-wage island.
- (6) *Capacity to pay Principle*: The capacity of the employer to pay its employees is a relevant, if not the dominant, factor. Even the International Labour Organisation had, in 1968, explicitly listed the capacity to pay of the employer as one of the essential ingredients of pay structure along with the need of the workers and the wages for comparable work. What would be true with regard to private or corporate employment would be true to some extent also with regard to State employment as well.
- (7) *Equal pay for equal work*: Article 39 of our Constitution provides equal pay for equal work for both men and women. The article is one of the Directive Principles of State Policy which are no longer pious wishes or moral percepts. The principle of equal pay for equal work is not a mere democratic slogan but a constitutional goal which is attainable through constitutional remedies by the enforcement of constitutional rights enforceable in the court of law.
- (8) *Minimum and maximum salary*: Another significant principle for devising a pay structure is the consideration of the minimum salary at the base level and the maximum at the apex, and the disparity ratio between the two should not be allowed to get out of hand.
- (9) *Per Capita income and the pay structure*: Per capita income of a state should have a direct linkage to the determination of the pay structure of its civil services. Accordingly, pay scales in Punjab are generally higher than those of the Central Government and most of the other states and the staff associations demand that these should be further escalated.

Though there is a modicum of truth and relevance in each of the larger principles of pay structure discussed here, yet the determination of pay structure and their revision from time to time may not be appropriate purely on theoretical consideration.

## Service Conditions

In addition to an adequate pay structure, other service conditions also contribute to the efficiency of civil servants in achieving organisational goals. Some of these are as follows:

- (1) security of tenure;
- (2) employer's contribution to provident fund;
- (3) pensionary benefits assured progressive scheme;
- (4) promotional prospects, performance-related incentives;
- (5) extra increment in addition to normal increments;
- (6) age of superannuation, allowances;
- (7) compensation for price rise;
- (8) deputation allowance;
- (9) special pay for specially arduous nature of duties or a specific addition to the work or responsibility (including non-practising allowance granted to doctors in lieu of private practice);
- (10) house rent allowance;
- (11) travelling allowance;
- (12) hotel accommodation;
- (13) conveyance allowance, transport allowance;
- (14) medical facilities;
- (15) compensatory allowance granted to meet personal expenditure necessitated by special circumstances in which duty is performed, such as city compensatory allowance;
- (16) rural area allowance;
- (17) difficult area allowance;
- (18) bet area;
- (19) border area;
- (20) sub-mountainous-Kandi area allowance;
- (21) project allowance given to employees for lack of basic amenities like housing or educational facilities;
- (22) developed market and availability of medical care at out-of-the-way project sites;
- (23) cash handling allowance;
- (24) risk allowance for all occupations viewed as inherently hazardous;
- (25) uniforms and related allowance;
- (26) training allowance for trainers detailed in training institutes;
- (27) higher qualifications allowance;
- (28) loans and advances for purchase of vehicles, plots or built-up houses;
- (29) house-building advance;
- (30) advance for college education and technical professional courses;
- (31) advance for marriage of daughter;
- (32) overtime allowance;
- (33) employees' group insurance scheme;
- (34) leave travel concession (LTC)—travel expenses for journey with family for personal purposes after a specified period of service;
- (35) leave entitlement and encashment.

The Fifth Central Pay Commission has examined the pay structure and conditions of service of Central Government employees in detail and made its observations and recommendations in its report submitted to the Government on 30 January 1997. The report, as modified by the group of ministers, was accepted by the Government on 18 July 1997. There has been a three-fold hike in Central Staff pay scales, ranging from Rs 3,200 to Rs 30,000, to be effective from 1 January 1996. Other highlights of the implementation of the Report are:

- (a) house-building advance raised to a minimum of Rs 7.5 lakhs and a maximum of Rs 18 lakhs at 12 per cent interest;
- (b) house rent allowance at 30 per cent of the actual basic pay in 'A' cities, and 5 per cent to 15 per cent in other cities;
- (c) gratuity ceiling increased from Rs. 2.5 lakhs to Rs 3.5 lakhs;
- (d) 100 per cent neutralisation of D.A. for all employees;
- (e) pension/family pension raised from Rs 375 to Rs 1,200 per month;
- (f) 300 days of earned leave can be accumulated and encashed at the time of superannuation;
- (g) three home town LTCs instead of one all-India and one home town LTC in four years.

The current pay scales and conditions of service of civil servants can be termed as most reasonable for the attraction and retention of persons in Government employment.

## RETIREMENT

Man cannot work efficiently after a certain age, when he grows too old and weak. After reaching this age, he needs rest. With the creation of public service as a permanent career, it is desirable that the Government should ensure its employees an easy and carefree life in their old age. It would cause untold miseries and hardship to such personnel if no provision is made to meet their financial needs. All countries have, therefore, established retirement systems for their public servants.

According to L. D. White, 'A retirement system for civil employees is primarily designed to facilitate the termination of employment of men and women whose powers have failed on account of age or disability by granting allowances for past service; to provide benefits to dependents in case of death; and to improve the morale of services by creating a sense of economic security.' Thus the retirement system is an integral part of personnel administration. The main objectives of the retirement system are discussed as follows.

In the first place, it eliminates from public services those employees who, due to incapacity or old age, are unable to discharge their duties adequately. This is necessary in the interest of efficiency and economy in the service. Employment of a man of impaired efficiency to do the work of an able man means a loss of efficiency as well as financial loss. From the purely selfish standpoint of the Government as an employer, it is desirable that provision should be made for a retirement system.

Secondly, retirement of older employees from highest positions is essential to provide opportunities for promotion. The number of higher posts being limited, employees at lower posts can be promoted to those posts only if they are made to fall vacant. If the people at the top do not retire, there would not be left any room for promotion. And in the absence of opportunities for promotion, public servants would not put their heart and soul in the work because the road to further progress would then be closed.

Thirdly, to bring in new blood and fresh ideas in public services, it is necessary that older employees should retire so that room is made for new entrants. This is possible only when vacancies occur; and vacancies would occur only if a retirement system exists.

Fourthly, unless there is a retirement system, talented men and women would not be attracted to public services. A system of pensions on retirement is a great factor of attraction for people to public services. One of the reasons of so much craving for public services is the system of pensions on retirement.

Fifthly, for retaining the best qualified people in government service a retirement system is imperative. A system of pensions on retirement keeps up the morale of the employees who do not have to worry for their future as they would be getting pension on retirement. In the absence of a retirement system many officers may give up public service and take to private service.

Lastly, it is but desirable on humanitarian grounds that employees who have become less efficient or wholly incapacitated for work as a result of physical disabilities arising from falling powers consequent upon advancing years must not be ruthlessly dropped from the service without any provision for their future financial needs. Justice demands that the State should look after those people in their old age who have served it for about 20 to 30 years.

Thus the desirability of making provision for the retirement of old and incapacitated employees is now firmly established not only for employees of the government- and local bodies but also in universities and public sector undertakings.

## **Age for Retirement**

The age for retirement varies from country to country according to the climatic conditions and the average expectation of longevity of life. The age for retirement is generally fixed by statute, but in certain important cases it may also be fixed by the Constitution. For example, the retirement age of judges of High Courts and the Supreme Court, and of members of the Public Service Commission in India, has been fixed by the Constitution. In the United States, the age of retirement is 65 to 70 years, in Britain 60 to 65 years.

### ***Age for retirement raised to 60***

Initially, the retirement age in India used to be 55 years. The Second Pay Commission had increased it to 58. The Fifth Pay Commission's recommendation to raise it to 60 was turned down by the then United Front Government. The BJP Government's decision to raise the retirement age to 60 is in tune with the promises made in the election manifestos of the BJP and the Congress.

The reason for raising the retirement age is that life expectancy of an average Indian has risen to 62 years now as compared to 32 at the dawn of Independence five decades ago.

It was felt that an officer should have enough time in a job to be able to make a contribution. An immediate fallout of the raised requirement age will be that officers who were expecting to retire as Additional Secretaries will now be able to stand in queue for empanelment as Secretary to Government of India.

The age of entry into the civil services has now been raised to 29 years. The revised retirement age will also be in tune with the late entry point into the services.

The move will benefit hundreds of thousands of Central Government employees as every year on an average 90,000 civilian employees and about 55,000 in the defence forces retire. By enhancing the retirement age to 60, there has been a complete ban on extension in service beyond the age of superannuation, except in case of medical and scientific specialists. In case of scientific specialists, extension could be granted in service on a case-to-case basis upto the age of 62 years. The decision would not be applicable to those who were on extension in service and those who were governed by specific rules and regulations.

The estimated outgo of expenditure in terms of retirement benefits, including pension computation and leave salaries, is around Rs 5,000 crores. In fixing the age of retirement, two opposite viewpoints contend for acceptance. One view is that the age for retirement should be as high as possible so that the full benefit of the accumulated experience of the employees may be obtained and pensions may have to be paid for as short a period as possible. This is the view of a large section of public servants. The other view which is shared by the younger elements is that the age for superannuation should not be raised high as it blocks the prospects of early promotion and entrance for outsiders. The Government's policy of employing afresh the retired and superannuated employees, instead of raising the retirement age too high, though commendable, is disfavoured because the Government 'chooses and picks' its favourites for re-employment or extension in service.

## Retirement Benefits

There are three forms of retirement systems: (i) non-contributory; (ii) partly contributory; and (iii) wholly contributory. Under the first system, the government undertakes to defray the entire cost of making the retirement allowances. The employees are not called upon to contribute any money to the retirement fund. Under the second system, the cost is partly met by the Government and partly by the employees. The contribution of employees is secured through compulsory deductions from their salaries which are carried to a provident fund along with the Government's contributions. Under the third system the entire cost is met by employees through deductions made from their salaries.

Each of these systems has its merits. Many people are unwilling to accept the first system. They say that the employee is under the same obligation to make provision through saving for his future needs as those in private employment. They advocate the wholly contributory system. On the other hand, some people maintain that the entire cost should be met by the Government. Just as the government pays for the salaries of its employees, so it must pay for their retirement allowances, which should be considered as a part of their salary. From the viewpoint of expediency, it will do away with the expensive and complicated method of making deductions from pay. Finally, there are many others who look upon the responsibility as a joint one and advocate a partly contributory system which occupies a middle position between the two extreme systems—the non-contributory and the wholly contributory. It is argued that this system will not unnecessarily burden either and will create a spirit of making sacrifices in the employees. In India there are two main schemes of retirement benefits for the Central Government employees—the pensionscheme and the contributory fund scheme.

## Pension and Provident Fund

Here we may consider the relative merits of pension vis-à-vis provident fund, from the point of view of the employee as well as the Government. In favour of pension it is said that it is paid in fixed monthly amounts while provident fund is paid as a lump sum, with the result that employees are faced with the problem of its safe and useful investment. Due to want of foresight they may invest money into unprofitable concerns or squander away the amount received. Pensions guarantee them a secure income as long as they live. Secondly, pension system enables the Government to exercise greater hold over the employees even after retirement. Pensions can be withheld at any time by the Government when it feels that the pensioner is engaged in any subversive activity against the State or has otherwise acted against the prestige of the Government. Pension, it may be noted, cannot be claimed as a right. It is earned on the basis of satisfactory and approved services and future good conduct is an implied condition of every grant.



But the pension system, unless specially adapted to meet hard cases, results in hardship for the family of the public servant who dies prematurely while in service, or at the time of retirement or a few years after enjoying pensionary benefits. But provident fund, being the amount accumulated to the deceased person's credit, is always available for his family. Again, the provident fund system provides the employee greater freedom to retire while under the pension system he cannot retire with pension before putting in the qualifying period of service.

The employees have, therefore, pressed for a mixed scheme which will partake of the character of both a pension and a lump sum payment. This is arranged by converting a part of the pension into a lump sum amount to be received on retirement. In India, gratuity is also paid to employees in addition to pension. There are provident fund schemes for three classes of Government servants in India: (a) the non-pensionable railway servants; (b) specialists recruited on a contract basis for a period of five years or more; and (c) temporary workmen in certain establishments such as the CPWD, the mints, the security press, and ordnance factories.. The Central Pay Commission thought that with the improvements suggested by it, the pension system is better as a measure of family protection, security to the employee himself and from the Government's point of view, than the provident fund system.

## Kinds of Pensions

According to circumstances and conditions under which pensions are admissible, they may be classified into ordinary and extraordinary pensions. The ordinary pensions may be of the following kinds:

- (a) superannuation pension, given to an officer who retires at the prescribed age;
- (b) retiring pension, given to an officer who retired after completing a fixed period of qualifying service;
- (c) invalid pension, given to an employee who is permanently incapacitated for his work;
- (d) compensatory pension, granted to an officer whose permanent post is abolished and whom the Government is unable to provide with an alternative post;
- (e) compassionate allowance, when pension is not admissible on account of a public servant's removal from service for misconduct, insolvency or inefficiency.

Extraordinary pensions are either in the form of injury pensions or family pensions. Injury pensions are paid to a Government employee himself in case of injury received in the course of duty. Family pensions are payable to the widow or minor children, or in some cases to the parents of an employee killed in the course of discharging his duties. The Central Government, as also some of the State governments, have, of late, made provisions for family pension for any permanent Government employee having a premature death. This is one step forward towards ensuring economic security of public servants.

Besides pensions, in certain countries there are other benefits, such as insurance benefits, given to public servants on retirement. Insurance systems are usually wholly contributory, the Government incurring only the establishment charges. The Government of India and some State governments have introduced the insurance scheme for certain classes of their employees.

## Fifth Pay Commission's Recommendations on Pension

The recommendations of the Fifth Pay Commission in regard to the quantum of pension or gratuity are noteworthy.



The Commission visualises a pension of 67 per cent of last pay drawn as being sufficient to meet the post-retirement needs of an employee. This would be met to the extent of 50 per cent through the normal scheme of pension to be funded by the Government, with the balance 17 per cent being made up by contributions from the employees to a pension fund. Additional pension has been recommended at the rate of 1 per cent for each additional year of service beyond 33 years. Ceiling on pension and gratuities have been removed. Gratuity would now be paid on the basis of pay and dearness allowance (DA) on the date of retirement. Terminal gratuity would be admissible also to those resigning from Government service.

Voluntary retirement has been recommended under two different schemes. One is the normal scheme of voluntary retirement after a service of 20 years, which has been retained. A special scheme of VRS with golden handshake is being proposed for departments having identified surplus staff. Apart from the normal weightage of five years, this scheme envisages 100 per cent commutation of pension and special ex-gratia payment at the rate of 1.5 times pay plus DA for each year of service put in or year of service left, whichever is less.

Minimum pension has been raised from Rs 375 to Rs 1,220 per month. There will be 100 per cent neutralisation of cost of living for pensioners as in the case of serving as government employees.

The pension of existing pensioners will be consolidated by adding to basic pension, dearness relief as on 1 January 1996, IR-I, IR-II and fitment weightage of 20 per cent of the basic pension. The consolidated pension as on 1 January 1996 will become basic pension for the existing pensioners.

In the case of pensioners who retired before 1 January 1986, their pension will be updated first by notional fixation of their pay as on 1 January 1986, and thereafter consolidation will be done on these lines as mentioned. The limit of commutation of pension has been raised from 33.33 per cent to 40 per cent. The commuted pension could be restored after 12 years instead of the present 15 years.

## Conduct and Discipline

Every organisation, public or private, has certain rules and regulations governing the conduct or behaviour of its employees. Human nature, being a combination of vices and virtues, needs to be tied up under a prescribed code of conduct and discipline. A high moral standard of conduct among public servants is of utmost necessity so as to set an example for the people at large. Integrity and discipline in service and political neutrality are very essential for an efficient personnel system. All governments, therefore, formulate and enforce a code of rules to regulate the conduct of their servants. Conduct rules for public servants generally relate to: (a) maintenance of good behaviour towards superiors; (b) protection of integrity of officials; (c) observance of a certain code of ethics in private life by an official; and (d) regulation of political activities of officials.

## Government Servants' Conduct Rules in India

In India, rules of conduct for Government servants have been considerably stiffened in view of the allegations of increased corruption and nepotism in public services. Some of the important Conduct Rules are mentioned here.

- (a) Every member of the service shall at all times maintain absolute integrity and devotion to duty and shall do nothing which is unbecoming of a member of the service.
- (b) Every member of the service shall take all possible steps to ensure integrity of and devotion to duty by all Government servants for the period of service under his control and authority.

(c) No member of the service shall use his position or influence directly or indirectly to secure employment for any member of his family with any company or firm.

(d) No member of the service shall be member of, or be otherwise associated with, any political party or any organisation which takes part in politics, nor shall he take part in, or subscribe in aid of, or assist in any other manner, any political movement or political activity.

(e) No member of the service shall, except with the previous sanction of the Government, own wholly or in part, or conduct or participate in the editing or management of, any newspaper or other periodical publication.

(f) No member of the service shall, except with the previous sanction of the Government or any other authority empowered by it in this regard in the bona fide discharge of his duties:— (i) publish a book himself or through a publisher, or contribute an article to a book or a compilation of articles; or (ii) participate in a radio broadcast, or contribute an article or write a letter to a newspaper or periodical, either in his own name or anonymously, pseudonymously or in the name of any other person.

(g) No member of the service shall make any statement of fact or opinion (i) which has the effect of an adverse criticism of any current or recent policy or action of the Central Government or a State Government; (ii) which is capable of embarrassing the relations between the Central government and any State Government; or (c) which is capable of embarrassing the relations between the Central Government and the Government of any foreign State.

(h) No member of the service shall ask for or accept contribution to, or otherwise associate himself with the raising of, any fund or other collection in cash or in kind in pursuance of any object whatsoever.

(i) No member of the service shall engage directly or indirectly in any trade or business.

(j) No member of the service shall make any transaction in immovable property outside India.

## Discipline

What we just discussed are some of the rules of conduct which the public servants in India are required to observe. If they fail to observe these rules, disciplinary action may be taken against them. L. D. White lists the causes or occasions for disciplinary action against public servants under the following heads:

(a) inattention to duty, tardiness, laziness, carelessness, breakage or loss of property, etc.;

(b) inefficiency;

(c) insubordination, violation of law or regulation (including rules against political activity);

(d) intoxication;

(e) immorality;

(f) lack of integrity (including violation of a recognised code of ethics), failure to pay debts, soliciting of or accepting of bribe, or deliberate neglect in enforcement of law.

In short, the conduct of a civil servant must not be unbecoming of an officer.

## Types of Disciplinary Action

Disciplinary action may be informal or formal. Informal disciplinary action means assignment to a less desirable work, closer supervision, loss or withholding of privileges, denial of consultations in relevant matters, or rejection of proposals or recommendation. It may include curtailing of the officer's authority and diminishing of his responsibility. The reason for taking informal disciplinary action may be that offences are too slight or too subtle or too difficult to prove, to warrant direct and formal action.

Formal disciplinary action follows where the offence is serious and can be legally established. In such cases, the penalties that are imposed are:

**Minor Penalties:** (a) Censure; (b) withholding of promotions; (c) recovery from pay of the whole or part of any pecuniary loss caused to the Government or to a company, association or body of individuals; and (d) withholding of increments of pay.

**Major Penalties:** (a) Reduction to a lower stage in the time scale of pay for a specified period; (b) reduction to a lower time scale of pay, grade or post; and (c) compulsory retirement.

In very serious cases of offence, even judicial proceedings against the offender may also be launched.

## Mode of Taking Disciplinary Action

Like the power to promote, the power to take disciplinary action should also be vested in the Head of the Department because he is the person who is responsible for maintaining discipline in and efficiency of his department. Some people advocate that the power of disciplinary action should vest in an independent outside agency like the Public Service Commission. In Australia, for example, any employee, against whom an action has been taken by the departmental head, may make an appeal to the Commonwealth Conciliation and Arbitration Tribunal. In the State of Chicago, dismissal can be ordered by a trial board consisting of some members of the Civil Service Commission. This is advocated in the interest of impartiality and fairness to the employee, the argument being that since the departmental authorities are accusers, they should not also be the judges.

But in the opinion of experienced administrators, an outside agency should not be brought in to sit in judgement on the action taken by the disciplinary authorities because, first, it undermines the authority of the Head of the Department, and second, outside authorities are often swayed by considerations of abstract justice rather than due appreciation of the logic of administration and management. In India, the Central Pay Commission took the same view. 'We do not think', it said, 'that it will be desirable or practicable in public interest to insist on the intervention of an outside body in disciplinary matters.'

All this, however, does not mean that considerations of fairness and justice should be lost sight of in taking disciplinary action against an employee. On the contrary, suitable machinery and procedure should be provided so as to eliminate every possibility of personal prejudices.

Usually the following provisions are made either in the Constitution or the statute to check the misuse of power to take disciplinary action:

(a) No employee shall be demoted or dismissed by an officer lower in rank than the one who had appointed him.

(b) No employee shall be punished except for a cause, specified in some statute or departmental regulation.

(c) No employee shall be punished unless he has been given reasonable opportunity to defend his case.

(d) The employee shall be informed of the charge laid against him.

(e) Where a Board of Inquiry is appointed, it shall consist of not less than two senior officers, provided that at least one member of such a board is an officer of the service to which the employee belongs.

(f) After the inquiry against an employee has been completed and after the punishing authority has arrived at any provisional conclusion in regard to the penalty to be imposed, if the penalty proposed is dismissal, removal, reduction in rank or compulsory retirement, the employee charged shall be supplied with a copy of the report of inquiry and be given a further opportunity to show cause why the proposed penalty should not be imposed on him.

## The Position in India

So far as India is concerned, Article 311 of the Constitution provides that:

(a) no person of the civil service shall be dismissed or removed by an authority subordinate to that by which he was appointed; and

(b) no such person shall be dismissed, removed or reduced in rank until he has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him.

These provisions would be effective except in the following cases:

(i) where a person is dismissed or removed or reduced in rank on the ground of conduct which has led to his conviction on a criminal charge;

(ii) where an authority empowered to dismiss or remove a person or to reduce him in rank is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to give to that person an opportunity of showing cause; or

(iii) where the President or the Governor, as the case may be, is satisfied that in the interest of the security of the State it is not expedient to give to that person such an opportunity.

The clause of 'reasonable opportunity of showing cause' has been so interpreted by the law courts that the employee charged has the right to show cause twice before the order of dismissal is passed, first, when the charges are being enquired into, and second, when the enquiry has been over and the question of proper punishment is being considered.

Thus the successive steps of the procedure of disciplinary action are:

(a) calling for an explanation from the employee to be subjected to disciplinary actions;

(b) if the explanation is not forthcoming or is unsatisfactory, framing of charges;

(c) suspension of the employee if his remaining in the service is likely to prejudice the evidence against him;

(d) hearing of the charges, and giving opportunity to the employee to defend himself;

(e) findings and report;

(f) giving another opportunity to the employee to defend himself against the proposed punishment;

- (g) punishment order, or exoneration; and
- (h) appeal, if any.

As regards the power to hear an appeal, an employee appointed by the President has no right to appeal from an order passed by the President himself. A member of the All India Service may appeal from the order of a State Government to the President. A member appointed by the President may appeal to the Governor from an order passed by the State Government. All employees of lower grade service may appeal to the authority which made the rule to which the order under appeal relates. Appeals can be preferred only if:

- (a) it is permissible under rules;
- (b) it is not defective in form and preferred through proper channel;
- (c) it is preferred within six months after the date of the communication of the order appealed against;
- (d) it is not a repetition of a previous appeal to the same authority;
- (e) it is addressed to an authority to which appeal lies under the rules. No appeal lies against the withholding of an appeal by a competent authority.

Thus in connection with appeals in India, no outside authority intervenes at any stage. The Constitution no doubt provides for consultation with the Union or the State Public Service Commission as the case may be 'on all disciplinary matters affecting a person serving the Government of India or of a State in civil capacity,' but such consultation is limited only to those cases where disciplinary order is passed by the President or the Governor.

The staff made complaints before the Central Pay Commission that the right of appeal is not of much value because higher officers to whom appeals are made are of the same mentality and tools of the same machinery, and generally support the decision of the subordinates. They suggested the association of an outside authority with the hearing of appeals. The Commission, however, rejected the proposal. A second complaint was against the provision which authorises officers to withhold appeals in cases where no appeal lies. It was said that an officer who has awarded punishment would never like his decision to be upset and would, therefore, withhold appeals in most cases. While recognising that there must be a limit to appeals somewhere, the Commission recommended that persons dismissed from service should—where their appeal has been withheld—be permitted to petition the higher authorities for a review of their case.

Finally, it may also be noted that an appeal to the courts of law against wrongful removal or dismissal can always be made, but only after all the remedies available to the employee under the service rules have been tried and exhausted by him.

In the end, it may be mentioned that an employee can be deprived of the right to make appeal in the following cases:

- (a) where a person has been removed or reduced in rank on the ground of conduct which has led to his conviction on a criminal charge, for example, for embezzlement;
- (b) where an authority empowered to remove him or reduce him in rank is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to give that person an opportunity of showing cause; and
- (c) where the President or the Governor, as the case may be, is satisfied that, in the interest of the security of the State, it is not expedient to give that person such an opportunity.

## Employer–Employee Relations

For any organisation to work efficiently, it is necessary that there exists a good relationship between the employer and the employees. The Government being the biggest employer, it becomes all the more important that its relationship with its employees should be harmonious, conflict- and friction-free, based on mutual understanding, cooperation and goodwill, to be able to achieve its objectives of rendering service for the welfare of the people. And in case of any dispute between the Government and its employees, there should be provision for a suitable machinery for negotiations between the Government and employees' organisations, redressal of employees' grievance, and settlement of issues regarding the conditions of service of its employees.

Public employees, organisations and associations are of two types: professional associations and trade unions. Professional associations are those organisations which bring members of the same profession together for the exchange of information and experience, and for the advancement of their profession. These associations are, broadly speaking, formed by higher categories of Government employees whose work may be administrative, executive, professional or scientific. To mention a few of such associations, there are the Central Secretariat Association, Income Tax Officers' Association, Indian Audit and Accounts Service Association, Teachers Association and Associations of Civil Services at the State and Centre levels, etc.

Trade unions, on the other hand, are generally formed by the employees of subordinate public services. Their avowed object is to seek to improve the wages and other conditions of service of their members. If their demands are not conceded, they do not hesitate to resort to strikes. A few more important unions are the All India Postmen and Lower Grade Staff Union, All India Railway Men's Federation, All India Telegraph Union, and All India Postal and RMS Union, universities and college teachers' union. These unions are, as a matter of fact, at par with the labour unions in private industries.

Thus, the real difference between the two types of associations is not one of mere name but of outlook and methods. The professional associations do not use 'trade union methods'. Their main objects are 'to promote personal acquaintance among individuals with common interests and problems', and to promote research in the profession. They meet in regular periodical conferences for the exchange of ideas and experience so that the best ideas are applied in order to improve the efficiency of administration. They are often consulted by the authorities to give their suggestions for reform and improvement. They also sometimes issue literature for the spread of the latest information relating to their field. By the growth of professional associations, 'the competence of public service is favourably affected; its impartiality and objectivity are more nearly assured; its capacity to some long-time programmes intelligently is increased, its prestige is elevated.

The main object of the trade unions is to seek to improve the wages and other working conditions of their members. They pursue this object, if need arises, in a militant way. They put pressure on the authorities so that their demands are accepted. In case of non-acceptance, they resort to strikes and sometimes even adopt violent methods.

Summing up, the aims of employees' organisations are to:

- (a) bring pressure to bear on the government for improvement of pay and conditions of service;
- (b) provide a forum for the employees for exchange of ideas and experience;
- (c) foster the growth of *esprit de corps* and group consciousness among the members;
- (d) heighten the morale of the employees;

- (e) enhance the prestige of the members;
- (f) undertake research on selected problems and disseminate up-to-date information;
- (g) give suggestions to the authorities for reform and improvement of the service; and
- (h) formulate a code of ethics for the members to follow in their work and conduct.

In all democratic countries, the right of the public employees to associate has been recognised. Article 19(1) of the Indian Constitution recognises such a right, subject to reasonable restrictions imposed by the State in the interests of public order, or morality, or the sovereignty or integrity of India. The civil servants are allowed to form their own associations but are not allowed to join or form any political party. The associations may be formed for economic, cultural or professional purposes. However, the Government deals with only such organisations as have been duly recognised by it.

In the United States also, political activities of public employees are generally restricted. The Hatch Act of 1939 prohibits the use of official authority or influence for the purpose of interfering with an election or affecting the result thereof and taking any active part in political management or political campaigns.

According to Rule 4 of the Central Civil Services (Conduct Rules), no Government servant in India shall be a member of a political party, or aid or assist in any other manner any political movement or activity. He cannot canvass any person's candidature. While he has the unqualified right of voting, he is to exercise it as 'to give no indication of the manner in which he proposes to vote or has voted'.

## Right to Strike

A great controversy that exists today regarding public employees' relationship with the management is: Can government employees be given the right to go on strike to further their objects and get their demands fulfilled? This question was brought to the forefront of importance in India with the general strike of Central employees of subordinate grades in July 1960. This was not, however, the first strike of Central employees in India. Prior to it also there had been strikes in Railways and Postal Services which had countrywide repercussion. After the experience gained from the general strike of 1960, the Government of India prohibited strikes in certain specified services like ordnance, posts and telegraphs and railways.

In India, a strike by Government servants is not prohibited by law but it constitutes a breach of discipline. The Central Civil Services (Conduct) Rules, 1955, prohibits a Government servant from participating in any demonstration or resorting to any form of strike in connection with any matter pertaining to his conditions of service.

The Second Pay Commission is also of the opinion that public servants should not resort to strike or threaten to do so. But it is felt that strikes need not be prohibited by law. The employees should be persuaded not to use strike as a weapon or use demonstrations. It recommends that adequate machinery should be set up for negotiation, redressal of grievances and settlement of disputes. It further recommended that provision should be made for arbitration to which recourse can be taken where a difference on a question of remuneration or some other condition of service remains unresolved. In 1968, the Essential Services Maintenance Act (ESMA) was passed, which empowers the Government to outlaw strike in any essential service of the country as it did in the case of nurses' strike in Delhi hospitals in May 1998. It also provides for penalties for persons participating in prohibited strikes or instigating and financing such strike.

The Administrative Reforms Commission, in its report on personnel administration, recommended complete prohibition of strikes by civil servants. It suggested the revival and strengthening of the joint



consultative machinery to settle disputes between the Government and its personnel. The Commission was of the opinion that, 'A government servant holds a special position in society in that he is a part of the machinery—the administration—on whose uninterrupted and efficient functioning depends the well-being of society, nay, its very survival' Every act and conduct of a government servant has direct effect on the people. He is placed in a privileged position from where he exercises power and commands respect. Hence, he should behave as a model citizen. If he has any grievance, redress must be sought invariably through a suitable machinery for negotiation and in no case through recourse to coercive measures that disrupt the smooth functioning of the administration. The Commission suggested that right at the time of entering into service a Government servant should make a solemn declaration that he will not resort to strike.<sup>18</sup>

In the United States, Section 305 of the Taft-Hartley Labour Management Relations Act of 1947 has prohibited strikes in an outright and all-inclusive manner. The section reads: 'It shall be unlawful for any individual employed by the United States or any agency thereof including wholly owned Government corporations to participate in any strike. Any individual employed by the United States or by any such agency who strikes shall be discharged immediately from his employment, and shall not be eligible for re-employment for three years by the United States or any agency. The present position in the USA is that public employees' strikes are considered illegal unless allowed by statute. However, a few State legislatures have passed legislation providing a limited right to strike.

In the United Kingdom, strikes or demonstrations are not prohibited by law but disciplinary action can be taken against an employee who refuses to perform his duties or stages demonstration or goes on strike. In Japan, Switzerland and Australia, it is illegal for Government employees to participate in strikes.

Though it is widely accepted that government employees should be prohibited from going on strike, mere banning it is no remedy. While it is true that strikes by public employees cause misery to and insecurity among the people, disturbs the order and peace in the country, and affects adversely the well being of the citizens, it also remains true that strikes are not resorted to in a vacuum and without sufficient grounds. Strikes depend on the socioeconomic conditions prevailing in the country. The bad conditions of employment in the civil services often result in strikes. The more adamant and unreconciliatory the attitude of the government, the higher will be the chances for bitterness and holding of strikes on the part of employees. Strikes would be lessened if proper service conditions are provided, if the authorities give a patient hearing to the grievances of the employees and give them fair treatment.

Herman Finer has summarised the issue of strike in three propositions. He observes:

(a) If the State engages itself to give certain benefits to its civil servants, and by its institutions and traditions substantiates its engagement, it may, as a matter of fair bargain, require a corresponding guarantee that it will not be subjected to the inconvenience of, at the minimum, a strike.

(b) The interests that the State has in the continuous operation of its services are of an urgent, life-and-death nature, and these must not be stopped lest a great calamity may befall it.

(c) If the demands of civil servants are given constitutional channels in which to find their vent, and if just, their satisfaction, then the strike must be relinquished as a means of forcing the State to surrender.<sup>19</sup>

In India, strikes, demonstrations and other violent methods have been increasingly used by Government employees to show their discontentment towards Government policies relating to their conditions of service and other service matters. Strikes by the Central Reserve Police Force and the Central Industrial



Security Force in different parts of the country, strikes by water supply workers in Delhi, strikes by pilots of Air India and Indian Airlines, or by transport drivers, have shown that unless the Government employees are ensured better conditions of service and fair treatment, no law whatsoever can bring an end to this misery. Hence orderly processes have to be developed and adequate machinery for redressal of grievances set up. Only then can these problems be solved. In England, a most effective scheme of staff relations has been developed through the medium of civil service of the National Whitley Council. Many other countries have been following this pattern for redressal of grievances of public employees. The staff councils set up in India were on the lines of the Whitley Council. In India, Haryana has also set up a Whitley Council on the pattern of England for the redressal of grievances of its employees.

## Origin of the Whitley Council

In England, widespread industrial unrest prevailed during the years 1915–16. To investigate the problem, a committee was set up under the chairmanship of J. H. Whitley, which recommended the establishment of joint industrial councils with an equal number of representatives of the employers and the employees to promote cooperation and understanding. Soon after the adoption of its recommendations by the Government, the civil servants' associations began to press for the application of Whitley recommendation also to public services. They wanted 'Whitely, the whole of Whitely, and nothing but Whitely'. After some negotiations with the union representatives, the Government accepted their demand on 8 April 1919. A committee was appointed to work over a modified constitution for Whitley Councils in the civil service. The committee, under the chairmanship of Sir Malcolm Ramsay, submitted its report on 28 April 1919. On the basis of this report, Whitley Councils have been established now in each of the Government departments.<sup>20</sup>

## Functions of Whitley Councils

The main functions of the Whitley Councils are:

- (a) to provide machinery for discussion of grievances as to the conditions of service and to determine general principles regarding the same;
- (b) to provide the best means for utilising ideas and experience of the staff;
- (c) to give to the staff a greater share in and responsibility for the determination and observance of the conditions under which they work;
- (d) to encourage further education of the staff;
- (e) to improve efficiency in public service and promote the welfare of the staff;
- (f) to propose legislation so far as it has a bearing upon the positions of civil servants in relation to their employment.

## Authority of Whitley Councils

The authority of the councils is merely advisory. Problems of staff management are discussed in these councils between the officials and the staff. The result may be an agreement or a disagreement between

the two sides. If they reach an agreement, well and good, but if the discussion results in disagreement, the Head of the Department is free to act at his discretion. Thus the Whitley Councils have not relieved the Government of any part of its responsibility to the Parliament. While the acceptance by the Government of the Whitley system implies an intention on its part to make the fullest possible use of the Whitley procedure, it has not surrendered its liberty of action in the exercise of its authority and the discharge of its responsibilities in the public interest.

## Organisation of Whitley Councils

The Whitley machinery for public servants consists of: (a) a National Council; (b) Departmental Councils; (c) District and Office (or works) Committees.

**(a) National Council:** It has 54 members, half of whom are appointed by the Government, representing the official side, and the other half is appointed by the various staff associations according to a definite plan of distribution. The Council has a Chairman and a Vice-Chairman, The Chairman belongs to the official side and the Vice-Chairman to the staff side. The Council has four secretaries. Each side appoints two of its members to act as secretaries. The Constitution of Whitley Councils provides that 'the scope of the National Council shall comprise all matters which affect the conditions of service of the staff'. The Council works through Standing Committees to which particular subject like promotion, reorganisation, retrenchment etc. are referred. In the early years of its history, the National Council made valuable reports on reorganisation, promotions, etc.

**(b) Departmental Councils:** As a general rule there is one Departmental Council set up in each department. The membership of these councils is small in number. The official side of the council is appointed by the minister or the Head of the Department. The members of the staff side are elected by associations having members employed in the particular department. The departmental councils can discuss any promotion in regard to which it is represented that the principles of promotion have been violated. The councils can report to the National Council matters falling within the purview of more than one department. However, it must be noted that there is no hierarchical relationship between the National and Departmental Councils. The National Council is kept informed of departmental developments that appear to be inconsistent with national agreements.

**(c) District Committees:** These committees are constituted on the same principles as Departmental Councils. They deal with purely local problems of the staff.

## Evaluation of the Whitley System

Whitleyism, although it was originally not intended for civil servants, has proved much more successful in civil service than in the private sector. The main reason for this is that there is basically absence of differences of interest between the two sides whereas in profit-making industries this difference is the root cause of tense management-staff relations. A member of the official side, who plays the role of the employer, is in fact an employee of the State and hence he generally sympathises with the staff point of view. An awareness among the staff side representatives that ultimately the employer is society at large goes some way towards mitigating the disappointment staff representatives feel when their claims are rejected or cut down. 'Civil servants, whether they are for the moment behaving like staff side people or official side people, do all have a perfectly genuine feeling of togetherness and of common purpose and service to the community.'

The greatest advantage of Whitley Councils has been increasing harmonious relationship between the staff and the government. In the words of Albert Day, 'The staff movement is much more harmonious, thanks to Whitleyism, than it used to be, and is imbued with a sense of common purpose and corporate responsibility once woefully lacking.' Whitley Councils have also helped in raising the morale and efficiency of administration. It provides a common meeting ground for the employer and the employees to sit together and discuss matters of common importance and have created better understanding among both. Douglas Houghton described the role of Whitley Councils in fair details in his lecture at the Indian Institute of Public Administration, New Delhi, on 16 December 1957. He said that most of the formal procedures have been dispensed with and there is a good deal of informal discussions. The Chairman of the official side may contact the Vice-Chairman of the staff side or the Secretary-General of the staff side before the formal meeting and tell informally how matters stand on a particular claim. Similarly, the leaders of the staff side may contact the official side for informal consultations. These informal discussions save a lot of time that go into formal meetings as each side knows the viewpoint of the other.

However, we must not assume that Whitleyism has not met any hostility in Britain. Some trade associations have criticised Whitleyism on the ground that it restricts the full operation of trade unionism in civil service. The Fulton Committee criticised it by stating that it reduces the flexibility of management. It argued that management is sometimes less active and determined than it should be; arguments are allowed to go on too long and rigid procedures are accepted where flexibility should be insisted upon. It also stated that resistance to changes in organisation tends to become formal and institutional, which has inhibited the management from experimenting in the use of grades and classes.

However, even the Fulton Committee accepts that 'Whitleyism in the civil service has made an invaluable contribution to good staff relations. The high morale of the staff, and the fact that industrial disputes are rare in the civil service, owe a great deal to the universal acceptance of the principle of joint consultation.' Though shortcomings exist in every set up, but looking at the success of the Whitley machinery as it has worked in England, India also adopted the system of Whitleyism for the enhancement of management–staff relations.

## STAFF COUNCILS IN INDIA

In India, a system of appointing Staff Committees in various ministries was introduced in 1954. These were constituted on the lines of the Whitley Councils and were renamed in 1957 as Staff Councils. Each ministry had two Staff Councils—one Senior Staff Council for Class II and Class III employees, and the other Junior Staff Council for Class IV employees. The senior Staff Council consisted of:

- (a) a Chairman, who acted as Secretary or Joint Secretary of the ministry concerned, nominated by the Minister-in-Charge.
- (b) Government representatives, who were nominated by the ministry from amongst its officials not below the rank of Under-Secretaries. In addition, the Head of each attached office or an officer nominated by him was also a member.
- (c) staff representatives, who were elected from amongst the members of the following grades, separately: (a) Section Officers; (b) assistants; (c) stenographers; (d) clerks. This election was done in the proportion of one representative for twenty members or fraction thereof.
- (d) a Secretary, who was nominated by the Chairman from amongst the staff representatives in consultation with the staff side.

The composition of the Junior Staff Council was broadly similar. It consisted of a Chairman, who was the Deputy Secretary of the ministry concerned, Government representatives not below the rank of Assistant nominated by the government, representatives of the staff in the proportion of one representative for every twenty members or fraction thereof, elected from two groups of daftries and jamadars, peons and sweepers. The Secretary of the Council was nominated by the Chairman in consultation with the staff representatives from amongst them.

The main functions of these Councils were:

- (i) to consider suggestions for improving the standards of work;
- (ii) to provide means of personal contact between officers and staff with a view to developing cordial relations between them and encouraging the staff to take a keener interest in their work; and
- (iii) to provide to the members of staff a machinery for making their points of view known to Government on matters affecting their conditions of service.

These councils were only advisory bodies. Any matter relating to (a) the conditions under which the staff were required to work; (b) general principles regulating the conditions of service; (c) welfare of the staff; and (d) improvement of efficiency and standards of work, was brought before the Council for consideration.

The Staff Councils did not work satisfactorily and the employees' associations/unions rejected and disassociated themselves from these councils. They viewed that these council were merely ad hoc and advisory bodies and had no powers and means for effecting final settlement. It was also stated that some of the officers representing the Government did not have the right attitude towards the machinery. The employees' organisations alleged that the meetings were not held regularly and the decisions taken were not implemented promptly. The Second Pay Commission observed in its report that these Commissions considerably differed from the Whitley Councils. Their objectives had been laid down in very wide terms but their scope was limited by the powers and procedure of work thereof. The Commission remarked that though most of the matters relating to service conditions were dealt with centrally, there was nothing like a Central Staff Council to discuss such matters. Due to this, the recommendations of the Staff Councils were transmitted to the appropriate ministries for consideration in the routine manner, and the Council was made known of the decisions taken on them after a considerable lapse of time. Another drawback of these councils, as pointed out by the Second Pay Commission, was that the official members had no authority to make any commitment on behalf of the Government, and its members could only express their personal provisional views without binding the Government in any manner.

The Second Pay Commission, therefore, recommended the setting up of a joint consultative machinery on the lines of the Whitley Councils in the UK, along with a provision for compulsory arbitration. It recommended that:

- (a) a Whitley type machinery, with a Central Joint Council representing the whole body of Central Government employees, both industrial and non-industrial, should be set up for negotiation and settlement of disputes;
- (b) there should also be departmental joint councils;
- (c) there should be provision for compulsory arbitration open only to recognised associations and limited to pay and allowances, and weekly hours of work and leave, of employees not above the present Class II level.
- (d) the Ministry of Labour should be closely associated with important matters concerning staff relations.

## JOINT CONSULTATIVE MACHINERY (JCM) SCHEME

After the Central Government employees' general strike of 1960, the Government seriously considered the matter of appointing a joint consultative machinery on the pattern of Whitley Councils. In 1963, it accepted the recommendations of the Second Pay Commission and decided to establish a Joint Consultative and Arbitration machinery, thereby providing the Government employees an opportunity to associate with and participate in the decision-making process that affects the working conditions of civil service. However, the scheme was first introduced in 1966 for Central Government employees.

The Joint Consultative Machinery Scheme has a three-tier structure. At the apex level is the National Council, which deals with matters affecting the service conditions of Centre Government employees, such as minimum remuneration and allowances and pay of certain common categories with special reference to the general welfare schemes. At the middle level are the Departmental Councils, which are concerned only with matters affecting the concerned departmental employees. The third tier consists of the Regional and Office Councils, which deal with regional and local issues only.

### The National Council

It is the largest joint council consisting of members of the official side (representatives of the Government of India) and the staff side (representatives of recognised employees' organisations). The Cabinet Secretary functions as the Chairman of the National Council and acts as the chief spokesman of governmental policies. He also acts as the leader of the official side. The staff side also elects a leader from their members for a term of one year. There is also provision for two standing committees of the National Council, one for industrial staff and the other for non-industrial employees. Other committees may also be appointed to study any matter falling within the jurisdiction of the National Council.

### Departmental Councils

There is one departmental council for each department. However, one such council may look after two or three small departments under a ministry. The official side of the departmental council consists of representatives nominated by the Government or the Head of the Department. The Secretary to the ministry concerned acts as the Chairman of the council.

The joint councils function on the basis of discussions, consultations and negotiations. The decisions on the matters discussed at the council meeting are taken in the meeting itself and are not kept pending for a later decision by the Government. In case of disagreement, the matter may be referred to the Arbitration Committee.

An important aspect of the Joint Consultation Machinery Scheme is compulsory arbitration in case of disagreement on a matter between the official side and the staff side. Compulsory arbitration may be sought in cases relating to pay and allowances, weekly hours of work and leave of a class or grade of employees. In 1968, a Board of Arbitration was constituted. It consists of three members, one each from the official side and the staff side of the National Council, and one independent member who acts as the Chairman of the Board.

The Joint Consultative Machinery Scheme has brought the departments and the representatives of the employees' unions together and afforded them an opportunity to know each other's point of view. But the scheme has not been very successful due to lack of knowledge and training of the members of the staff side in the art of joint consultation and negotiation. Moreover, there is also lack of confidence and

spirit of cooperation on the part of both officials as well as staff members. Hence, 'for an effective system of collective bargaining, office-bearers of trade unions and the personnel managers of government need to be educated and trained in the philosophy and mechanics of joint consultation, negotiation, collective bargaining and participative management techniques'.<sup>21</sup>

## Integrity in Public Administration

Nowadays we hear a lot about various kinds of scandals and scams and lack of integrity in public life. Public servants, on the other hand, complain that their emoluments have not kept pace with the rising prices. This forced them to collect money from other means at the slightest opportunity while exercising their discretionary powers. Corruption has become a widespread phenomenon. Everyone appears to be concerned, but no one appears to be able to do anything about it. What are the causes of such widespread lack of integrity in public administration? What can be done? And what has been done to check the problem of corruption? What sort of institutional arrangements are necessary to contain this evil of corruption? Here an attempt will be made to find out answers to these questions.

The meaning of 'integrity', as given in the dictionary, is soundness of moral principles, character of uncorrupted virtue, uprightness, honesty, sincerity. 'The concept of integrity is an outcome of modern legal system of rule of law'. In earlier times, government favours were given to the highest bidder or to those who were giving gifts. This system started changing with the advent of concepts of State sovereignty and citizenship. The Government appointed civil servants and paid them monthly salaries and they were forbidden to take gifts from people. The State started taking taxes from the citizens for their services and the taxes were imposed on the basis of laws. Slowly this developed into the concept of integrity in administration and civil servants' recruitment started on merit with determined salary and promotion till they perform their functions honestly according to the rules, regulations and laws. Those who deviate from the set procedure of work render themselves liable for action. Integrity as a concept includes honesty, courage and cleanliness in pecuniary matters. Lack of integrity is known as corruption, which means using unfair means in taking pecuniary benefits.

## Definition of Corruption

To define corruption is not an easy task. 'Corruption' is a general term covering misuse of authority for personal gains. The term refers to malpractices, unlawful, unethical and unfair dealing. Thus, corruption is deliberate misuse of one's own position, directly or indirectly, for personal gains. It may be material gains or enhancement of position or influence detrimental to the interest of others. The Indian Penal Code and the Prevention of Corruption Act, 1947 provide scope and legal definition of corruption.

Section 161 of the Indian Penal Code defines corruption as, 'whoever being or expecting to be a public servant, accepts or obtains or agrees to accept, or attempts to obtain from any person, for himself, or for any other person, any gratification whatever, other than legal remuneration as a motive or reward for doing any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person, or for rendering or attempting to render any service or disservice to any person with the Central or any state government or Parliament or the Legislature of any State government or with local authority, corporation or Government company referred to in Section 21, or with any public servant, as such shall be punished with imprisonment of either description for a term which may extend to three years, or with fine, or with both'.

The Prevention of Corruption Act, 1947 calls it criminal misconduct and defines it in the following manner. According to this Act, five kinds of acts constitute criminal misconduct: (a) habitual acceptance of gratification; (b) obtaining of any valuable thing without consideration; (c) misappropriation; (d) abuse of position for pecuniary advantage; and (e) possession of pecuniary resources or property disproportionate to his known sources of income.

Any public servant who commits criminal misconduct shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to seven years and shall be liable to fine. K. Santhanam, Chairman of the Committee on Prevention of Corruption, declared: 'Any action or failure to take action in the performance of duty by a Government servant for some advantage is corruption'. The word advantage refers to 'speed money'.

The Representation of the People's Act, 1950 includes within its definition political malpractices too. Section 23 of the aforesaid Act includes the following as corrupt practices: (a) bribery; (b) undue influence; (c) appeal to vote or refrain from voting on the grounds of religion, race, caste, community or language, or the use of appeal to religious or national symbols; (d) promotion or attempt to promote enmity between classes; (e) publication of false statement on the personal character or conduct or candidature of candidates; (f) hiring or procuring of vehicles for the conveyance of electors to or from polling stations; (g) incurring or authorising of expenditure in contravention of Section 77 of Representation of the People's Act; and (h) obtaining or procuring the assistance of persons in Government service.

## Forms of Corruption

The modes of corruption are numerous. The report of the Santhanam Committee on Prevention of Corruption states that securing some kind of pecuniary or other material advantage directly for oneself, or for family, relatives or friends, constitute the most common form of corruption. Another widespread form of corruption is 'speed money'. With the advent of modern welfare state, a number of laws, rules and regulations have come into force. As a result of getting any service from the Government requires the fulfilment of procedures and formalities which take lot of time, sometimes officials also cause delay to charge some 'speed money'. Another form of corruption is in the form of liaison men who cultivate close relations with senior officers who are in a position to influence Government policies in their favour and in return get benefits in cash or kind. Some other identified forms of corruption are such as donations in the form of cash or kind, occasional job offers by private companies to retired officials, contracts of construction, purchases, sales etc.

The Central Vigilance Commission has identified the following modes of corruption:

- (a) acceptance of substandard stores/work;
- (b) misappropriation of public money and stores;
- (c) incurring of pecuniary obligation of persons to whom public servants have official obligations;
- (d) borrowing of money from contractors and firms having official dealings with officers;
- (e) showing of favour to contractors and firms;
- (f) claiming of false travelling allowance, house rent etc.;
- (g) possessing assets disproportionate to income;
- (h) purchase of immoveable property, etc., without prior permission or intimation;



- (i) causing of loss to the Government by negligence or otherwise;
- (j) abuse of official position or power;
- (k) acceptance of illegal gratification in recruitment, posting, transfers and promotions;
- (l) misuse of Government employees for personal work;
- (m) production of forged certificates of date of birth, or of community;
- (n) irregularities in reservation of seats by rail and by air;
- (o) non-delivery of money orders, insured covers, value payable parcels, etc.;
- (p) replacement of new postage stamps by used ones;
- (q) irregularity in grant of import and export licences;
- (r) misuse of imported and allotted quotas by various firms with the connivance of public servants;
- (s) irregularity in grant of telephone connections;
- (t) moral turpitude;
- (u) acceptance of gifts;
- (v) under-assessment of income tax, estate duty, etc. for pecuniary considerations;
- (w) misuse of advances sanctioned for purchase of scooters and cars;
- (x) abnormal delay in settlement of compensation claims to displaced persons;
- (y) wrong assessment of claims of displaced persons;
- (z) cheating in connection with sale and purchase of plots for residential purposes; and
- (aa) unauthorised occupation and sub-letting of Government quarters.

The modus operandi of corruption is a major reason why it is difficult to identify and measure its intensity. There are three different ways in which corruption surfaces. First of all, there is collusive corruption—a form of corruption that involves the willing and planned cooperation of the giver and the taker. Most cases of political corruption, scams involving large contracts and other favours belong to this category. Secondly, there is extortionary corruption, that implies forced extraction of bribes or other favours from vulnerable victims by those in authority. This tends to work when people who seek certain services or decisions are in a tight corner, with very few options. Third, there is anticipatory corruption, the best example of which is the tendency among some people to pay a bribe or present a gift in anticipation of favourable actions or decisions from those in authority. Collusive and anticipatory corruption are difficult to unearth. It is only extortionary corruption that is easy to unearth.

The findings of the Public Affairs Centre's recent studies provide evidence on the extent of retail corruption in India, though it covers only selected urban centres of Ahmedabad, Bangalore, Chennai (Madras), Pune and Calcutta. The extent of retail corruption in Chennai is that every fourth person in the general population ends up paying a bribe in dealing with agencies such as the urban develop-



ment authority, the electricity board, the municipal corporation and telephones. In Bangalore, it is one in eight persons, while in Pune it is only one in 17 that pays a bribe. Even the poor living in slums are not spared. In Bangalore, every third slum dweller claims to have paid a bribe for getting a service or solving a problem with a public agency. Pune and Calcutta have reported much lower incidence of this problem.<sup>22</sup> This proves that corruption is a pervasive phenomenon in India's public services.

## Causes of Corruption or Decline of Integrity

Decline in integrity and public morality is a complex phenomenon which obviously has several causes. To talk about corruption is easy, but it is quite difficult to find out the causes of corruption in this technological world. Several historical, socio-economic and political factors are responsible for corruption. An attempt has been made to highlight these causes of corruption here.

### Historical Causes

The colonial Government paid their senior officers a very good salary but the local functionaries were given paltry payments. Therefore, they leaned towards corruption. The Second World War created scarcity of goods and clothing, which included commonly used goods. Due to shortage of goods, ration cards were issued to control the supply. These controls had created opportunities for corruption. The inflation that followed also created a climate of large scale corruption. After Independence, a large number of British and Muslim officers left the country. Therefore, a large number of officers were promoted even without merit. Large scale recruitment had also brought down the quality of the recruited staff. All this caused turmoil in the administrative system.

### Social Causes

In our society, material possession and economic power determines the status and prestige of a person in society. Therefore, the acquisition of wealth has become a necessary part of life, without caring for the means one adopts for accumulating wealth. The present phenomenon of various kinds of scams—Bofors, Hawala, urea, fertilizer, fodder, housing, telephones etc.—are examples of corruption for collecting and hoarding of money. Even wives of civil servants indulge and encourage them to lean towards corruption. The various demands of the wives beyond their financial resources force the husbands to adopt questionable methods to collect money to fulfill the desires of their wives. The competition of status, of drawing-room-showing culture, has created a lot of strain in the integrity of the administrative officers.

### Economic Causes

One of the important causes of corruption is inadequate salary of the employees. The increasing cost of living has brought down the real income of salaried persons and their standard of living has suffered. To maintain their standard of living, employees accept illegal gratification. Black money was poured to win over the discretionary favours from the government officials and large scale corruption became the order of the day.

## **Environmental Vauses**

Rapid urbanisation and industrialisation have changed the value system. The concept of 'simple living and high thinking' has been taken over by luxurious living style and vulgar show of money power. The nexus between politicians, civil servants and clever businessmen has resulted in the form of large scale corruption which we now call scams of unprecedented nature.

## **Cumbersome Procedure**

Complicated procedures even for small things like getting a ration card or a diesel permit have resulted in corrupt practices. The clientele's anxiety to obtain prompt services and benefits has encouraged the growth of dishonest practices such as 'speed money' and gifts to speed up the process of movement of files. In all such cases, officials pay lip service to rules, regulations, methods and procedures. Thus, it will be most revealing to experience that the work procedures which are primarily intended to be available in the nature of instrumental values, will turn out to be terminal values.<sup>23</sup>

## **Inadequate Laws**

The Indian Penal Code and the Prevention of Corruption Act do not have adequate laws to punish guilty officers. The administration of these laws is not proper and not many prosecutions are launched. If some are booked, they are not pursued. As a result, large numbers of guilty people are not punished and feel encouraged to pursue corrupt practices.

## **Constitutional Protection to the Civil Servants**

Civil servants have been given protection in our Constitution under Article 311. The constitutional provisions and disciplinary procedures make it impossible to take action against dishonest and corrupt employees. The interpretation of Article 311 by the law courts has made it very difficult to deal effectively with corrupt employees.

## **Evil Effect of Corruption on Administration**

Corruption in high places causes decline of people's faith in government. People expect high moral standards from rulers. The decline in such standards puts to question the legitimacy of the Government and people's cooperation declines. Second, corruption increases the cost of administration. People start paying officials, though informally, instead of paying taxes to the Government for its services. This causes a lot of loss to the Government. Third, prevalence of corruption jeopardises the feeling of sacrifices for the good of the society and the nation. Fourth, sometimes due to corruption, decisions are not made on the basis of merits and national interests are compromised for the sake of economic benefits. National interest may be overlooked in purchasing substandard arms for monetary 'consideration' which may not be effective during a war. Lastly, corruption adversely affects the efficiency and morale of the honest civil servants because in placement and promotion considerations other than merit dominate. Thus, it causes inefficiency in administration.

## Anti-Corruption Measures and Machinery

After the Second World War, corruption became rampant and to deal with this problem, the Government of India constituted the Special Police Establishment (SPE) in 1941. In 1963, it set up the Central Bureau of Investigation (CBI) under the Ministry of Home Affairs, and the SPE was made one of its divisions. In spite of these measures, corruption could not be controlled and the Government appointed a committee under the Chairmanship of Santhanam in 1962 to suggest measures to check corruption. The committee submitted its report on 31 March 1964. Some of the main recommendations of the committee were as follows:

- (a) Article 311 of the Constitution should be amended in order to provide a simplified procedure for corruption cases related to government servants.
- (b) Government servants' conduct rules should be amended to restrict the period employment of retired Government servants by private or commercial concerns at two years after their retirement.
- (c) Recommendations with regard to disciplinary rules, including withdrawal of pension in full or part, compulsory retirement of a Government servant on completion of 25 years of service or after obtaining 50 years of age, if his integrity is suspected and an appropriate machinery to review cases of doubtful integrity.
- (d) Laws, rules, procedures and practices for the purpose of deciding the level of discretionary powers, the manner of such exercises, the control of such exercise of power, etc. should be reviewed.
- (e) The Defence of India Bill, 1962 should be amended.
- (f) Section 21 of the Indian Penal Code may be amended to define the term 'Public Servant' to include every person in the service or pay of the Government, a local authority or a corporation established by a Central or State Act, or a Government company as defined in Section 617 of the Companies Act, 1956, and/or anybody who is remunerated by fee or commission for the performance of any public duty,
- (g) The committee suggested re-organisation of the entire vigilance organisation, improvement in the vigilance organisation for Railways, setting up of vigilance organisations in Public Sector Undertakings and the Judiciary,
- (h) The committee recommended an independent Central Vigilance Commission.

## Legal and Institutional Devices to Check Corruption

The following enactment and institutional arrangements have been provided to investigate corruption cases and take legal action:

- (a) The Indian Penal Code, Section 161
- (b) Prevention of Corruption Act, 1947
- (c) Central Vigilance Commission (CVC)
- (d) Government Servant Conduct Rules

- (e) State Vigilance Commission
- (f) Central Bureau of Investigation (CBI)
- (g) Lok Ayuktas in many states.

## Vigilance Organisations in the Ministries

In the Ministry of Home Affairs a Vigilance Division has been created and vigilance units in the respective ministries, departments and public undertakings have been established. Each ministry has a vigilance officer. They maintain close relations with the Administrative Vigilance Division in the Ministry of Home Affairs and the Central Vigilance Commission (CVC).

## The Central Vigilance Commission (CVC)

The Commission is headed by a Commissioner, who is appointed by the President by 'warrant under his hand and seal'. He holds office for a term of six years or till the age of 65 years, whichever is earlier. He cannot be removed or suspended from office except in the manner provided for the removal or suspension of the Chairman or a member of Union Public Service Commission.

### Functions

The CVC is an advisory body which makes recommendations to the Government for taking action against erring officials. The Central Vigilance Commission has been entrusted with the following functions:

- (a) to inquire into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner;
- (b) to investigate into any complaint against a civil servant who has exercised or refrained from exercising his powers against improper or corrupt purposes and any complaint of corruption, misconduct, lack of integrity or other kind of malpractices on the part of a public servant;
- (c) to initiate a review of procedures and practices of administration relating to the maintenance of integrity in administration;
- (d) to ask for reports from other agencies to exercise check and supervision over vigilance and anti-corruption activities;
- (e) to take under its direct control complaints for further actions. Such action can pertain to (a) asking the Central Bureau of Investigation to register a regular case and investigate it; or (b) enlisting it for enquiry by the Central Bureau of Investigation or the agency concerned.

The Commission receives complaints from individual persons. It also collects information about corruption and malpractices or misconduct from other sources such as (a) press reports; (b) information provided by Members of Parliament; (c) comments appearing in the reports of Parliamentary Committees; (d) audit reports; (e) information reaching the Commission through the Central Bureau of Investigation. At the same time, it welcomes assistance in this regard by voluntary organisations like Sadachar Samiti and responsible citizens and the press. The Commission submits its annual report about its activities to the Ministry of Home Affairs, drawing specific attention to its recommendations which have not been acted upon or accepted. The Home Ministry, in turn, submits the report to the Parliament.

## The State Vigilance Commission

Since 1964, there is a State Vigilance Commission in each state. Like the Central Vigilance Commission, the State Vigilance Commission owes its existence to executive resolution. The Vigilance Commissions also have their own investigating agencies. Besides the Vigilance Commissioner, there is a commissioner for departmental inquiries who conducts departmental inquiries into charges of corruption.

The Commission submits an annual report of its activities to the State Government. The report is to be placed before the State Legislature.

The Central Vigilance Commissioner holds an annual meeting of all the Vigilance Commissioners of the states. This forum provides opportunities for discussion of mutual problems and exchange of views. It gives publicity to vigilance efforts of the Central as well as of State governments. Such efforts inspire public faith in the Government's sincerity to streamline integrity.

## The Lokpal and Lokayuktas

The Administrative Reforms Commission in its report recommended for the setting up of the institution of Lokpal and Lokayuktas of Centre and State levels respectively on the lines of Ombudsman of the Scandinavian countries. Accepting the recommendation of the ARC, the Government introduced a bill in the Parliament to create the office of Lokpal, which, of course, lapsed.

Some of the State Governments have set up the institution of Lok Ayuktas on the pattern of the Lokpal. They have their own investigating machinery and have jurisdiction over the actions of the ministers. The Lokayuktas are drawn from the senior judiciary. In some cases, a person who has been Chief Justice of a State can hold this post. In spite of the prestige it enjoys, the organisation has not been able to live up to the expectations to combat corruption.

## Some Suggested Remedies

What should be done to control corruption? What kind of reforms are required and in what field? The Santhanam Committee recommended the following important measures for prevention of corruption:

- (a) greater care in selecting officers for appointment to higher administrative posts;
- (b) promotion to higher and more responsible positions guided by the consideration of integrity of the personnel;
- (c) enquiry-cum-reception offices established to promptly identify the problems of corruption;
- (d) a clear distinction as to what information should be treated secret and what should be made freely available to the public;
- (e) inclusion of a column in the annual confidential reports for the comments of the superiors on the integrity of the officer;
- (f) ban on Government servants accepting private, commercial and industrial employment within a period of two years after retirement;
- (g) discouragement of the existence of contact men and touts; and
- (h) widespread publicity of dismissals and removals and compulsory retirement of corrupt officers.

A study of the opinion of politicians, administrators, educators and businessmen on the problems of corruption has suggested the following prerequisites for the eradication of corruption:

- (a) simple laws and administrative procedures;
- (b) better paid but rigidly supervised officials;
- (c) stricter and quicker punishment for the improper use of public authority; and (d) a tax-structure that could be effectively imposed.

Above all, there is no substitute for a vigilant public. A recent study has suggested four essential building blocks for a national agenda for corruption control:

- (a) reform of the political process;
- (b) re-structuring and re-orientation of the Government machinery;
- (c) empowerment of citizens; and
- (d) maintenance of a sustained public pressure for change.

It is the awareness, resolve and demand for reform by the people that will determine the success of many legal, institutional and policy changes proposed for controlling corruption.

Looking to the present political and administrative environment of the country, it is difficult to believe that our political leaders will take any initiative to clean the system. The reluctance to implement promises for reform made in their party manifestos, dilution of goals and scope of the reforms, the recent move to exclude elected representatives from the purview of the Prevention of Corruption Act, etc. proves that our political leadership will not take any initiative to cleanse the system because they are the beneficiaries of this system. Only people's initiatives can attempt at some reforms. Public Interest Litigations (PIL) are the most effective manifestation of such initiatives. Judicial response to PIL in the form of judicial activism is positive. In some states, local movements against corrupt practices and seeking access to information as in Rajasthan and demand for reform even from civil service associations as in UP and highlighting these developments by media generates the confidence of challenging the culture of corruption. All these are positive signs of checking cancerous growth of corruption in our country.

## GENERALIST AND SPECIALIST IN ADMINISTRATION

The generalists and specialists are found in every administrative system. But generalists are at the 'top' and specialists are at the 'tap'; and this causes jealousy in specialists. The generalist–specialist controversy is one of the important problems of public administration in India. The problem has acquired new dimensions due to the vital role of ever-increasing importance being played by science and technology in all walks of life. In the forties or fifties no one thought about the department of space or ocean development or atomic energy or communication technology, such as fax, Internet, computer revolution etc. Our scientists and technologists have won laurels for successful conducting of nuclear tests at Pokhran on 11 and 13 May 1998. Therefore, the role of specialists in administration has acquired immense significance. The problem of law and order has also acquired new dimension due to the invention of several kinds of rifles, missiles and chemical weapons. Therefore, attempts had been made to define the roles of generalists and specialists in many countries. For example, Fulton Committee (1966–68) of Britain has made important

recommendation on the subject. In India, ARC (1960–69) has also examined this problem in detail and made many recommendations concerning this problem. Here we propose to define the terms ‘generalist’ and ‘specialist’ and would examine the arguments advanced in favour of and against both, and in the end try to synthesise both the views.

## Definition of Generalist and Specialist

There is no precise definition of a generalist. A generalist may be defined as a public servant who does not have a specialised background and is easily transferable to any department or branch of Government. He has also been defined as an administrator, who belongs to the managerial class and who is well versed with rules, regulations and procedures of administration, and generally performs POSDCORB functions. A generalist is said to be a jack of all trades and master of none.

A ‘specialist’ is generally a person who has special knowledge or skill in a specific field, for example, engineers, physicians, agriculturists, educationists, lawyers, etc. He can be easily distinguished on the basis of his education and training. He generally performs a job in which his specialist knowledge is required. However, an expert or specialist is a relative term depending upon the context. For example, a general medical practitioner is an expert in relation to the patient but in comparison to a surgeon, a dentist or a gynaecologist, he is only a generalist. Likewise, there is equally a problem between the working engineer in the field and his counterpart in the laboratory. The ARC has called such specialised services where officers have to specialise after joining the service. For example, the officers joining services like Income Tax, Audit and Accounts, Defence Accounts, etc. do not require any specialised degree at the time of entry. However, over a period of time in their services, they tend to specialise in their particular fields.

The Civil Service Committee of Britain (1966–68), popularly known as the ‘Fulton Committee’, used the term ‘specialist’ for those whose career provides opportunities for the exercise of their qualifications and specialist skills. This category includes engineers, draughtsmen, technicians, and so on. Some of these, such as doctors and engineers, have acquired their professionalism of specialists through recognised training outside their service. Others such as technicians and draughtsmen may acquire and develop their skills after joining the service. The committee used the term ‘administrators’ for those members of the administrative and executive classes who are now treated as, and regard themselves as, ‘generalists’.

Thus it is clear that a generalist is one who does not possess any special knowledge of any field. On the other hand, a specialist has special knowledge of his field of specialisation.

## The Controversy

In India, generalists have been given superior position in administration. The ‘policy formulation’ and the ‘consideration’ levels in the Central as well as State Secretariat are occupied by the generalists, while positions in the field are filled by the specialists. Further, to make the ‘humiliation’ still more apparent, even the heads of executive agencies are appointed from amongst the generalists. For example, in Haryana, the Director of Higher Education, Director of Health and Director of Agriculture are IAS civil servants. At the district level, there is a generalist Collector/DC leading a team of technical district officers who are heads of technical departments. At block level, Block Development Officer is the generalist who leads a team of cooperative and veterinary services.

Specialists demand parity with IAS generalists in matter of pay scales and service conditions, and access to administrative positions at the Secretariat so that they can contribute to policy formulation of the

Government. They complain that during school days generalists were not brilliant students as compared to them but they enjoy more powers than specialists due to their position at the Secretariat level. The problem is that the specialists have to submit to the final decisions taken by the generalists on issues which have an important bearing on his field of specialisation. This resulted in the conflict between the power of knowledge of experts and power of position of generalists. Thus, the problem is more of power sharing in administration. Let us now study the views expressed in favour of generalists and specialists.

## Arguments in Favour of Generalists

(a) In India, Macaulay Report on Indian Civil Service (1854) followed the British tradition of superior position of a generalist administrator propounded by Northcote-Trevelyn Report (1853). The philosophy of these reports is that a person with liberal education and varied multifunctional experience is much better than the specialist who has deep knowledge of a very narrow field. Therefore, a generalist occupied superior positions in Indian administration.

(b) The important argument in favour of generalist civil service is that it has established contact with people in the administration ranging from the top to the grassroot level. This is a peculiar system in which generalist administrative service is organised as an All India Service based on the permanent cadres of the State Governments. Officers of this service serve at the district level and come in contact with people at the lowest level. They are later transferred to the various positions in the State up to Secretariat and get experience of the working of the State governments. Some of these officers are deputed to the Government of India to man senior positions. Such a 'tenure' system was introduced by Lord Curzon in which these officers serve in the Government of India for a fixed tenure and go back to the State of their cadre. These officers serving at senior levels in Government of India have the advantage of vast experience of working in the State Secretariat and in the field. This connects the entire system of administration from top level to grass root level. The knowledge and vision provided by this kind of experience cannot be equalled by the limited technical experience of the specialist.

(c) The administration in India has been based on the principle of 'area administration'. Thus, the village, the block, the tehsil, the district and the division continue to remain the units around which the administration at that level revolves. Each area requires a generalist administrator to perform managerial functions such as planning, directing, coordinating. Such a role can be performed by experienced generalist administrator successfully.

(d) A generalist secretary is in a much better position to tender correct and proper advice to his minister because he usually has complete understanding of the total effect of various factors on a particular policy decision.

(e) Generalists charge specialists of being parochial and narrow-minded. They say specialists are prone to display bias and a restricted view of matters. A specialist is one who knows more and more of less and less. In their favour they quote Paul Appleby. According to him, 'the price of specialisation of every kind is parochialism.' A generalist possesses broad vision and outlook and high thinking while a specialist does not possess all these qualities.

(f) It has also been said that it is wrong to call these professionals in their own field. To advise the political executive in their policy formulation functions are specialised tasks in themselves. Those who



perform these tasks have to develop a professional expertise to become successful. These generalists can in that sense be called administrative professionals.

(g) In any decision-making process, technical inputs form only a small part. Other matters like financial, administrative, legal and political issues are of equal importance. A generalist with a broad background of working in various departments is better suited to perform these jobs.

(h) Experience shows that when a specialist are required to do the job of a generalist, they lose both ways. Neither do they remain specialists, nor do they prove to be good generalists.

## Arguments in Favour of Specialists

The grievance of a specialist is the discrimination in pay and allowances as between the Indian Administrative Service (IAS) and their services and quick chances of promotion for the IAS. Other grievances include that a large number of top posts both in Central and State Governments are manned by the members of the IAS. Therefore, now a new trend is emerging in the composition of higher civil services, that is, large numbers of professionals are now appearing for the civil services examinations. They are leaving medicine, engineering and chartered accountancy positions to enter the civil services. Specialists complain that they are excluded from the top policy-making positions. Therefore, it would be pertinent to examine the arguments given in favour of specialists.

(a) Prior to independence in colonial days the main functions of administration were maintenance of law and order, collection of taxes and revenues. But now the tasks of administration have become very complex and cannot be properly performed by the Generalists. Therefore, the specialists should be given their due weightage in performing these jobs from lowest to the highest levels.

(b) Specialists feel that Generalists are not required to intervene between them and the Minister. They have better knowledge of their own field and can explain it better to the Minister.

(c) The Generalists do not understand the implications of the technical proposals and cause inordinate delays in the clearance of the project proposals submitted to them. The Generalists have to depend on the advice of the Specialists and in the absence of their expert advice/ knowledge are unable to take final decision expeditiously.

(d) It is further cited that our Public Enterprises headed by the generalists have become the centres of mismanagement and resulted in heavy financial losses. On the contrary, Dr. Bhabha a specialist proved administrator of great acumen. He built the Atomic Energy Commission, a very good organisation.

(e) In England, the Fulton Committee recommended greater role for the specialists in administration and observed that to meet the challenge of the scientific and technical developments, the specialists have to be given due place in the administration. The same arguments can be advanced in the case of specialist in India.

(f) ARC recommended that the senior posts in functional areas should be held by the specialists in those functional cadres. It further recommended that non-functional posts should be thrown open to all specialists and generalists.

## The Way Out

Government of India is aware of the problem and a number of steps have been taken to solve the problem. The present controversy stems largely from the differences in scales of pay and in position and power between the generalist and specialist. The administrative system of Britain gives generalists predominance, and in the USA administrative system specialists have been in predominant positions. In both the countries, governments have realised that such a situation is good for efficiency of administration. The Fulton Committee in England has suggested that now the generalist administrators should try to get more training and specialise in certain broad functional areas. At the same time, it suggested that the specialists should be given training in broad general management principles. In the USA also the Second Hoover Commission emphasised the need of greater coordination of the technical specialists and suggested for the creation of senior Executive Service comprising both generalists and specialists.

Thus, in our country, a middle way should be worked out to utilise the services of both generalists and specialists for the national development. The good and well meaning administrators could not deny the importance of technical considerations and expert services. Likewise, no specialist who is good should assume that his administrative colleague is an important bigot. Where the attitude is one of mutual understanding, public service benefits greatly.

Some of the steps in this direction are as follows.

### ***Weakening of the tenure system***

As already discussed, the tenure system was introduced by the British. The system is now in no position to deliver the goods and has been weakened. It is felt that senior civil servants should remain permanently in the Central Secretariat in violation of tenure system. In practice now very few officers of the rank of Joint Secretary go back to the States. The creation of the Central Secretariat Services has also weakened this system.

### ***Creation of new specialist all-India and central services***

Our Constitution has a provision to create more All India Services and Central Services. In 1961, two new Central Class I Services were constituted—the Indian Economic Service for the economists and the Indian Statistical Service for the Statisticians. All these services aim to provide better status and pay scales to specialists.

### ***Appointment of specialists to position of administrative responsibility***

A new trend of appointing specialists to administrative positions is taking place. For example, some time ago Education Secretary in the Union Ministry of Education was an educationist by profession, and the Secretary to the Scientific Affairs Department in the same ministry was an eminent scientist. In some ministries expert advisors have been appointed, to take advantage of their expertise.

Another method of giving a specialist head of department ex-officio status of joint/additional/full Secretary to the Government has been followed. The Railway Board is a good example of such an arrangement. The members of the Board operate as heads of departments and are also ex-officio secretaries in the Railway Ministry. So is the case of the Department of Atomic Energy, where the specialist has reached the top instead of the generalist. In the same way the Rajasthan Government has appointed the Chief Engineer (PWD & BR) and the Director of Industries and Supplies ex-officio Additional Secretaries to the Government.

In addition to these steps as discussed, several other solutions have been offered to solve the problem. The ARC, in its report on personnel administration, recommended functionalisation of all services, including Indian Administrative Service, and recommended that senior management posts in functional areas should be filled by the members of respective functional services. Several other suggestions including unified Civil Service are given to solve this problem. In the words of R. G. S. Brown, a generalist is a facilitator, a mediator, an arbiter and a coordinator; therefore, his role is very important in administration, but at the same time specialists should also be given the proper place that they deserve. Inter-service mobility and cooperation is essential for any good and effective administration.

## NEUTRALITY AND CIVIL SERVANTS

The issue of neutrality is one of the important challenges faced by civil servants in India. The notion of neutrality implies the absence of any political activity or bias on the part of an individual civil servant in the performance of his duties. Neutrality means 'acceptance of the discipline of working without reservation—indeed with devotion—for the success of every government lawfully in power'. If any administrator shows an inclination towards a particular party or adherence to a particular ideology, he would experience difficulty in working when another party with a different ideology comes into office. Indian Civil Service is not neutral but deeply enmeshed in politics. A number of civil servants, starting right from, such as John Mathai, C. D. Deshmukh, Barve, L. K. Jha, H. M. Patel, K. Natwar Singh, K. R. Narayanan, Krishna Kumar, Yashwant Sinha, M. G. K. Menon, Raja Ramana, Mani Shankar Iyer, T. N. Chaturvedi and Manmohan Singh, former Union Finance Minister, have joined different political parties. Indian Civil Service has been working in collusion with the politicians of the party in power at the Centre or at State level. Bureaucrats have projected and defended their group interests with the help of politicians by supplying secret files to them whenever necessary. Not only this, they also get international posts after retirement. The desire to stick to rules is paramount in the minds of Government servants. But it cannot override the considerations of promotion and advancement in life. When you find your juniors making advancement and you are left high and dry, you too fall in line. The trick is to please the boss to get the confidential reports which would ensure that you do not lose in career advancement. It is a balancing trick in which you comply with all the rules and not only not annoy your immediate bosses, but also the higher-ups. This way you can do your best to ensure your advancement and get ahead in career. It is this threat which makes many stalwarts cringe and crawl.

Another effective way in which rewards are doled out to the faithfuls is by way of giving them extensions. The Government has prescribed a certain age for retirement. In the case of most faithfuls—in the sense that those who have faithfully complied with all the wishes of the powers that be—rewards come in the form of extension of service or post-retirement membership of the Union Public Service Commission, various tribunals and numerous other parking slots which have been created. A case in point is the extension given to the Cabinet Secretary T. S. R. Subramaniam by the Gujral Government in the first instance.

The most illustrious among the favoured category get Governorships or other equally comfortable postings with all the perks thrown in for another 5 to 10 years.

We have come to a strange and astonishing pass, where even the highest civil servants of the land, namely, the Cabinet Secretaries, have been on extensions.

A person does not work for the job but only for an extension on retirement. In October 1997, the Cabinet Secretary, the Home Secretary, the Foreign Secretary, the Director, CBI, and later the Special Director CBI, were on extension after superannuation. Some states have also not lagged behind. They have merrily used their powers to give extensions to the Chief Secretaries and Director-Generals of Police.

During the seventies, the concept of 'neutrality' was replaced by 'committed civil service'. To quote D. P. Dhar, 'Commitment to a new social and economic order has to be consciously built and nurtured through the careers of our Civil Servants. Late Mohan Kumaramangalam, a Minister in Late Prime Minister, Mrs Gandhi's Cabinet talked of committed bureaucracy and even to the duties and obligations of the civil service or the judiciary not to the country but solely to the government of the day. Mrs Gandhi said making committed civil service means 'committed to a number of policies and to a popularly elected government without being committed to the policies of the party in power.' These views of Mrs Gandhi were vehemently criticised by all shades of people and it was said that the 'civil servants should be committed to their duties and the society which they are supposed to serve. Social commitment rather than political commitment is imperative in modern times.

Thus, it appears that the concept of 'neutrality' is irrelevant in the conditions prevailing in a developing nation like India. But, for a parliamentary democracy political neutrality is indispensable. It is all the more necessary for India because ministerial changes are frequent in the Indian states; and after 1977, even at the Centre. 'In the absence of neutrality, the civil service will develop cleavages, factionalism and percolate the belief that some would be promoted and some others would be penalised due to their political bias. Development of such a feeling in the civil service will be detrimental to their morale.

The civil servants must observe neutrality in the implementation of policies and programmes of the party in power. They should not be biased but should be ready to cooperate if some new party comes in power. They should not identify themselves with the political programmes of a particular party.

All these recommendations are relevant even today, and they should be followed properly. As the relationship between the political and the permanent executive has grown into complexity, it is, therefore, necessary that both the minister and the secretary should try to know and understand their respective fields and must not try to dominate each other. If some controversy arises, that should be solved through discussions, mutual trust and confidence. In a democratic set up like ours, they should go hand in hand in the service of the country. They should work together while keeping in view their respective status and dignity. It is desired that they should be sincere, dedicated, committed towards their roles and should not evade responsibility.

## ANONYMITY

The principles of neutrality and anonymity of civil servants go together. They are complementary to each other. The principle of neutrality of civil servants implies that they will be politically neutral, they will not be members of any political party nor will they canvass for it at the time of election, except for exercising their own right to vote, and they will implement the policies of the party in power at a particular time as per rules and regulations in terms of the law enacted by the legislature in a non-partisan, impartial and unbiased manner. All policy decisions are taken by the political executive and the civil servants are obliged to execute them without any personal involvement.

The principle of anonymity flows directly from the doctrine of ministerial responsibility, which is a feature of the parliamentary government as is prevalent in England and India. According to the concept of ministerial responsibility, a Minister-in-Charge of a department is responsible for the acts of commission and omission of the civil servants subordinate to him. A civil servant cannot be criticised on the floor of the house by name as he cannot be present in the house and address it to defend himself. It is, therefore, the responsibility of the minister concerned to defend him in the Legislature as also before the general public. If the minister is unable to defend the civil servant, he may be obliged to resign.

Civil servants are to act according to the policies of their ministers, impersonally and impartially. This impersonal exercise of power means that their names are not to be involved in any decision. They have to take their decisions on a particular matter strictly according to the rules and regulations. They are supposed to take identical action in similar matters. Their names are, therefore, not to appear anywhere before the Legislature or the public.

It has, however, been observed that some civil servants, in their anxiety to come into limelight, try to take and announce decisions which pertain to the realm of the political executive, thus violating the principle of anonymity for which they are pulled up by the ministers concerned and the Government. A couple of instances may be quoted in this regard. A Managing Director of a public roadways corporation in Punjab announced on his own that night bus service will start with immediate effect because of substantial decline of terrorist activities in the State. This was a policy decision which should have been taken and announced by the political executive, the Minister-in-Charge of the Transport Department. The civil servant was pulled up and his decision was reversed. Similarly, the political policy decision of introducing Punjabi from the first primary class in public schools in Punjab is to be made by the Cabinet and announced by the minister concerned and not by the Secretary or Director of Primary Education of the State. Again, the policy of importing wheat from Australia or exporting sugar to Pakistan is to be decided and announced by the Minister of Food, Civil Supplies/Commerce and not by the respective Secretaries of these departments. Thus it is abundantly clear that civil servants are to execute the decisions taken by the government according to the impersonal application of rules and regulations and hence have to act anonymously. They are supposed to keep a low profile and observe the principle of anonymity in letter and spirit to avoid any disciplinary action from being initiated against them by their political masters.

## REFERENCES

1. L. D. White, 1955, *Introduction to the Study of Public Administration*, New York: Macmillan, p. 306.
2. Herman Finer, 1956, *Theory and Practice of Modern Government*, London: Methuen, p. 725.
3. E. N. Gladden, 1948, *The Civil Services; Its Problems and Future*, London: Staples Press, pp. xi–xii.
4. Bata K. Dey, 1978, *Bureaucracy Development and Public Management in India*, New Delhi: Uppal Publishing House, pp. 28–29.
5. Also refer Ferrel Heady, 1968, 'Civil Service', in David L. Sills (ed.), *International Encyclopaedia of the Social Sciences, Volume. 2*, New York: Macmillan, pp. 495–96.
6. Ramsay Muir, 1935, *How Britain Is Governed*, Houghton Mifflin Company.
7. See, Sakendra Prasad Singh, 'Civil Service Commitment and Socio-Economic Development', in Avasthi and Arora, p. 40.
8. For the 'political role of bureaucracy' and a detailed discussion of the 'role of bureaucracy in development administration' see Bata K. Dey, *op.cit.*, pp. 1–26.
9. Milton M. Mandell, 1964, 'Classification and Pay', in F. M. Marx (ed.), *Elements of Public Administration*, New Delhi: Prentice Hall, p. 553.
10. L. D. White, 1955, *Introduction to the Study of Public Administration*, New York: Macmillan, p. 372.
11. Herman Finer, 1956, *Theory and Practice of Modern Government*, London: Methuen, p. 856.
12. O. Glenn Stahl, 1962, *Public Personnel Administration*, New York: Harper and Row, p. 153.
13. Refer Paul H. Appleby, 1953, 'Report of Survey of Public Administration in India', New Delhi: Manager of Publications, p. 11.
14. Felix A. Nigro and Lloyd G. Nigro, 1976, *The New Public personnel Administration*, Itasea, Illinois: Peacock Publishers, p. 228.

15. Report of the Committee on the Training of Civil Servants, Para 18, 1944, London, para 118.
16. Richard B. Johnson, 1976, 'Organisation and Management of Training', in Robert L. Craig (ed.), *Training and Development Handbook*, New York: McGraw – Hill, p. 2.
17. E. N. Gladden, 1948, *The Civil Service: Its Problems and Future*, London: Staples Press, pp. 83–86.
18. Refer S. R. Maheshwari, 1972, *The Administrative Reforms Commission*, Agra: Lakshmi Narain Agarwal, pp. 119–20.
19. Herman Finer, 1949, *Theory and Practice of Modern Government*, New York: Henry Holt and Co., p. 897.
20. For details refer Henry Parris, 1973, *Staff Relations in the Civil Service*, London: George Allen and Unwin Ltd., pp. 25–31.
21. Refer, V. Bhaskara Rao, 1977, 'Civil Service, Staff Relations in the Government of India', in *Administrative Change*, January–June, Jaipur, p. 252.
22. Samuel Paul, 1997, 'Corruption: Who Will Bell the Cat', *Economic and Political Weekly*, June 7–13, Mumbai, p.135.
23. M. A. Matalib, 1990, in Hoshiar Singh and D. P. Singh (ed.), *Strengthening Work Procedure to Curb Corruption in India in Indian Administration*, Jaipur: Alekh Publishers, p. 335.

## Financial Administration

---

The significance of finance is too obvious to need any elaboration as no organisation can exist, much less achieve its objectives, without at least a minimum of financial resources. This is why *Kautilya*, the great Indian philosopher, remarked that 'all undertakings depend upon finance, hence foremost attention should be paid to the treasury'.<sup>1</sup> Every administrative act has its financial implications, either creating a charge or making a contribution to the treasury. The importance of finance is so great in administration that Lloyd George is said to have once remarked that 'government is finance'.<sup>2</sup> In fact, finance constitutes the backbone, the life and blood of a government; it provides fuel to the administrative machinery. Sound fiscal policy is, therefore, of crucial importance to a government whether Central, state or local. Imprudent financial management not only brings discredit to the government but also alienates it from the people, and may endanger its very existence. Felix A. Nigro has rightly observed:

Financial administration is of great importance today because of the tremendous increase in the amounts of money expended for government services. Everything government does, requires money. It is utterly essential that sound principles and techniques of financial administration be employed.<sup>3</sup>

Financial administration is an important aspect of public administration and is concerned with all aspects of financial management of a government. It deals with the principles and practices relating to the proper and efficient administration of the financial affairs of a state. In fact, public finance and public administration are inseparable. Every administrative act has its financial implications. The availability of financial resources determines or affects the administrative activity as a whole. Management of finance is, therefore, one of the first responsibilities of administrators.<sup>4</sup> Fiscal Administration comprises:

- (a) preparation of budget, that is, the estimates of revenue and expenditure;
- (b) securing legislative sanction for budget estimates;

- (c) execution of the budget;
- (d) treasury management: safe custody of the funds raised, payments for the various services; and
- (e) legislative accountability: rendering of the accounts by the executive and their audit.

## MACHINERY FOR FISCAL MANAGEMENT

The process of fiscal management involves numerous operations, beginning from preparation of estimates by each organisational unit; their review and scrutiny by the heads of departments and then by the Central Agency, the Ministry of Finance; their legislation by the Parliament; the collection, custody and disbursement of funds; their accounting, auditing and reporting. The organisation, mechanism and procedure of all these operations of the financial administration vary from one country to another. But their machinery of financial administration or fiscal management for all generally comprises:

- (a) The Central agency or department concerned with the preparation of the budget;
- (b) The legislature, the approving authority of the work programme prepared by the agency;
- (c) The agency concerned with execution of the budget;
- (d) The audit organisation; and
- (e) The agencies to control the expenditure on behalf of the legislature other than the audit organisation.

The functions of these various parts of the machinery of fiscal management are briefly as follows.

(a) The chief executive is responsible for formulation of the financial policy of the government and the preparation of estimates of expenditure and revenue for the ensuing financial year. He is assisted in this job by a Central department. In Britain it is the Treasury, in USA the Bureau of the Budget (now known as the Office of Management and the Budget) and in India it is the Ministry of Finance. They are responsible for preparation of the annual budget after getting the preliminary estimates from other departments, presenting it to the legislature and getting it passed from there, supervision of its execution by the various departments, collection of revenue and for exercising of financial control.

(b) According to the democratic principle, no tax can be levied or collected and no expenditure can be incurred by the government except with the previous consent of the Parliament. So the government gets the budget passed by the Parliament. The power of authorising the expenditure and collection of the taxes is usually vested in the lower or the popular chamber of the legislature, for example, in the House of Commons in Britain and in the Lok Sabha in India. The upper chambers have little financial powers. The British House of Lords has none and the Rajya Sabha in India can only make suggestions which may or may not be accepted by the Lok Sabha. The Senate in America has, however, equal financial powers with the House of Representatives except that money bills can originate in the lower house only. The lower house in a Parliamentary government has no power to increase the grants asked by the executive and can only refuse or reduce them, yet the latter power is seldom exercised by it on account of the party control. But in America, where the legislature is not under the control of the executive, it can make any changes in the budget it likes.



(c) The responsibility for the execution of the budget lies with the Central agency, but the Heads of Departments are also to exercise proper control on the execution of the grants allotted to them. In England, the Head of Departments is also nominated as the Accounting Officer by the Treasury. He is assisted by a Finance Officer and is held responsible for the control of expenditure of his department within the terms of the budget and for keeping of the accounts. In India, the heads of departments are designated as controlling officers. They control expenditure relating to their own department; but until 1976 they were not responsible for keeping accounts. The job of maintenance of accounts and their audit was entrusted to the Comptroller and Auditor-General of India (C&AG). However, the Central government has now separated accounting from audit, and administrative departments made responsible for accounting; and the Comptroller and Auditor-General is concerned only with the audit of accounts.

(d) The function of the Parliament does not end with authorising expenditure and raising of money. It also has to see that money is not misused and is not spent beyond sanctioned limits. For this purpose, there is a Comptroller and Auditor-General who exercises control over expenditure and audits government accounts. He makes a report to the legislature if certain irregularities in expenditure have been committed or if expenditure has been incurred in excess of the grants or for purposes other than those sanctioned by it.

(e) Finally, the legislature should also have some sort of direct control over expenditure. It exercises such control through its two committees: the Estimates Committee and the Public Accounts Committee. The former is constituted to suggest economies in the estimates of the spending departments while the latter examines the report of the Comptroller and Auditor-General and draws the attention of the Parliament to irregularities and makes suggestions for preventing them in future. Such committees exist in the Indian Parliament and also in the state legislatures. A Committee on Public Undertakings has also been set up to examine the working of the public undertakings in India.

## THE CONCEPT OF BUDGET

Budget is the pivot around which financial administration revolves. The term 'budget' is derived from the French word '*Bougette*' meaning a leather bag or wallet used for carrying official papers. The Chancellor of the Exchequer in England used to carry his papers in a leather bag to the House of Commons. He would open it to place the papers containing the financial plan before the House. So from that association budget came to mean papers containing financial proposals for the year.

The Oxford English Dictionary defines budget as 'A statement of probable revenue and expenditure for the ensuing year, with financial proposals founded thereon, annually submitted by the Chancellor of the Exchequer for the approval of the House of Commons'. According to Herold R. Bruce, 'A budget is a financial statement, prepared in advance of the opening of a financial year, of the estimated revenues and proposed expenditures of the given organisation for the ensuing fiscal year.' In the words of Munro, 'Budget is a plan of financing for the incoming fiscal year. This involves an itemwise estimate of all revenues on the one hand and all expenditures on the other.' Rene Stourm, a distinguished French authority on budgeting, defines the budget of a state as a statement containing a preliminary approved plan of public revenue and expenditure. According to W.F. Willoughby, 'The budget is something more than a mere estimate of revenue and expenditure. It is, or should be, at once a report, an estimate, and a proposal. It is or should be

a statement through which the Chief Executive comes before the fund-raising and fund-granting authority and makes full report regarding the matter in which he and his subordinates have administered affairs during the last completed year, in which he exhibits the present condition of the public treasury and on the basis of which information sets forth his programme of work for the year to come and the manner in which he proposes that such work should be financed.'

A budget has developed into an elaborate system of financial management which includes not only a plan of public revenue and expenditure but the whole of material finances which are disclosed in the ministerial statement placed before the legislature and the orderly administration of the financial affairs of the government.

Budget has acquired certain special meanings in some of the countries. According to our constitution, 'Budget means the annual financial statement containing an estimate of all anticipated revenue and expenditure of the government for the coming financial year.' But besides giving estimates of revenue and expenditure, this statement also contains the review of the financial position of the preceding year, proposals for fresh taxation, if additional money is needed to cover a deficit, and proposals for financing capital expenditure. Sometimes we speak of the budget of a department. It is then used as an equivalent of the estimates of the expenditure only. It is sometimes restricted to the revenue or taxation part of the financial plan only. In England, for instance, the budget speech of the Chancellor of the Exchequer contains the taxation proposals. In the USA the term 'budgeting' is used to mean the entire financial process consisting of the preparation of budget, its enactment by the legislature, its execution, accounting and audit.

## BUDGET-MAKING PRINCIPLES

Budget is one of the principal tools of administration. It is not merely a statistical statement of the year's income and expenditure and an estimate of the proposed revenue and expenditure for the next year, but a proposed work programme with estimate of the funds necessary to execute it. Budget, thus being an effective instrument of financial and work management, must conform to certain budgetary principles. There are no rigid principles for budget-making; but the following ones, which of course have been framed on the basis of vast experiences of the leading countries, should be observed for sound budgeting.

(a) *Budget formation is the responsibility of the Executive:* As the Chief Executive is responsible for running the administration, he is in the best position to say what funds are required for it. It should, therefore, be his duty to formulate the budget. But budget framing is a stupendous task; he must, therefore, be aided and advised by a body of specialists. In India, the Finance Department, in England, the Treasury and in the USA the Office of Management and Budget help their respective chief executives in planning the budget. In parliamentary governments there is the principle that 'no demand for grants can be made except on the recommendation of the Executive'. This principle also makes it clear that it is the function of the executive alone to prepare the budget. The Parliament can decrease or refuse the demands presented to it by the Executive, but cannot increase them. This principle is of great merit because the Chief Executive being the actual expending authority is the better judge of how much money is required for a particular purpose, and if more is given to the Executive than what it needs, it cannot be made responsible for money which it did not need. That would obviously lead to wastage and extravagance. This last principle is not strictly followed in the USA as there is a separation of powers and all legislative functions, including those related to money bills, are that of the Congress, which accordingly has the power to decrease or increase expenditure and taxation.

(b) *The budget should be balanced:* A budget is called balanced when the amounts of the expenditure and revenue in a budget are equal or nearly so. If the expenditure is less than the anticipated revenue, it is a 'surplus budget', and if the expenditure is more than the estimated revenue it is called a 'deficit budget'. The balancing of the budget is the first requisite of financial stability and occupies the same place in the financial administration as the maintenance of law and order in the executive administration. On the other hand, unbalanced budgets are bound sooner or later to weaken the faith of investors and lead to monetary inflation, which, if uncontrolled, will terminate in national disaster. An occasional deficit budget, however, need not cause worry as there are bound to be deficits in periods of planning for economic development.

(c) *Estimates should be on a cash basis:* The principle of the cash basis of budget means that it should be prepared on the basis of actual receipts and expenditure expected during the year and not on the basis of receipts which are to be realised in some other year or the expenditure which is ordered in that year but is likely to be incurred in the next financial year, e.g., if certain sums on account of arrears of tax relating to the year 1996–97 are realised in the year 1997–98, they should be shown in the receipts estimates of the latter year and not of the former. Similarly, if the liability for any payments was incurred in the former year but was actually met in the latter year, it should be shown in the expenditure of the latter year only.

(d) *Budgeting should be done on the basis of gross income and not net income:* This principle means that all transactions both of receipts and expenditure, and not merely the resultant net position, should be fully shown in the budget. For example, if there is a department with an estimated expenditure of 125 lakhs and receipts of 120 lakhs, it should show in the budget, both the expenditure and the receipts and not only the net charges of 5 lakhs only. If the department prepares the estimates on a net basis, it would mean that it would approach the legislature for a grant of 5 lakhs only and it would thus deprive the legislature of its control over the expenditure of 120 lakhs, which it met out of its receipts. Gross budgeting is necessary to ensure complete financial control of the legislature.

(e) *Estimating should be close:* Close estimating means that estimates should be as exact as possible. There should neither be too much of over-estimating nor under-estimating. While money should be provided for all necessary expenditure, the amount provided for should be the absolute minimum. If there is overestimating of expenditure, people have to be unnecessarily taxed heavily and if there is underestimating, the whole budget may be thrown out of gear when it comes to execution. There is a tendency on the part of departments in India to underestimate their incomes and overestimate their expenditures, although there are clear instructions to the heads of all the ministries that they should try to achieve economy and avoid waste as far as possible. According to Ashok Chanda, 'this tendency to overestimate spending capacity arises from two causes. First, it is assumed that the Ministry of Finance will in any case reduce the allotment requested and therefore, it is better to ask for more and secondly, the inclusion of schemes and large provisions creates both politically and administratively an impression of efficiency and energy in the sponsoring ministries.'<sup>5</sup> Close estimating can be achieved by taking, as the starting basis, the past three average figures of receipts and expenditures under various heads and making appropriate variations due to special circumstances which can be foreseen. Second, estimates should be itemised, that is, the detailed estimates should be divided as major heads, minor heads and sub-heads and detailed heads of revenue and expenditure. It may, however, be mentioned that itemisation is not possible in cases where lump sum grants have to be made as in the case of PWD.

(f) *Revenue and capital parts of the budget should be kept distinct*: Another important principle of budget-making is that revenue and capital parts of budget should be kept distinct, as is done in India, and balanced separately so that overall surplus or deficit may be found out by taking both into account. It is laid down in the Budget and Accounts Rules as to what items of receipts and expenditure should be treated as part of the revenue or capital budget.

(g) *The form of estimate should correspond to the form of account*: This principle means that the budgetary heads should be the same as those of Accounts, because if the estimates are prepared in a manner different from the accounts, it would be difficult to control expenditure. It is, therefore, necessary that the same form is followed with regard to both. This will facilitate preparation of budget, budgetary control and keeping of accounts.

(h) *Annuality of the budget*: The principle of annuality means that budget should be prepared on an annual basis. In other words, it means that the legislature should grant money to the executive for one year. A year is a reasonable period of time for which the legislature can afford to give financial authority to the executive. It is also the minimum period which is necessary to execute the financial programmes. But annuality of the budget does not mean that there should be no long term planning. All those countries which have adopted the policy of planned development do have long term budgeting, but these long-term plans do not involve actual voting of appropriations for the entire period of the plan by the legislature though it may approve the plan in principle and broad outline as is done in the case of our Five Year Plans.

(i) *Rule of Lapse*: The annuality principle of budgeting also implies that money left unspent during the year for which it was sanctioned must lapse to the public treasury and the government cannot spend it unless re-sanctioned in the next year's budget. This rule of lapse is essential for effective financial control. If the unspent balance of one year could be carried over for expenditure in years ahead, it would make the department independent of the control of the legislature till the time their accumulated balances were spent. But this rule is defective from the point of view of economical planning of expenditure. The departments, knowing that if they do not utilise grants they shall lapse, have no incentive for economy and, therefore, towards the end of the financial year they spend it lavishly with little regard for its urgency or utility. This phenomenon is very much in practice in India and needs to be checked.

(j) *Single budget*: Lastly, it is also an important principle of budget-making that the government should have a single budget incorporating all revenues as well as expenditure of the government. When there shall be one budget for all financial transactions of the government, it will be very easy to know the overall financial position of the government as a whole. But if there are a number of department-wise budgets, some of them may show a surplus and others a deficit. It will not thus be possible to know the net financial position of the government as a whole except through complicated calculations and adjustments. On the basis of this principle, it is also wrong to prepare 'extraordinary budgets' for special purposes. An exception to this principle of unity of budget is, however, sometimes made in countries including India when a separate budget is prepared for commercial enterprises such as Railways. India has had a separate Railway Budget since 1921, so that the railways could be operated on business lines. The railways are free to keep their profits for their own development after they had made their contributions to the general revenue.

## THE BUDGETARY PROCEDURE

The budgetary procedure in any country consists of four stages:

- (a) the formulation of estimates of revenue and expenditure for the next financial year;
- (b) the enactment of the budget—passing of the revenue and expenditure bills by the legislature;
- (c) the execution of the budget, that is, carrying out of the operations of collection of revenue and incurring of expenditure as authorised by the Parliament.
- (d) The legislative control of financial operations by audit on behalf of the legislature.

These four Stages may be discussed in detail here.

### Preparation of Budget

#### *Preparation of preliminary estimates by local officers*

In every country, budget is prepared for a financial year which starts in different countries on different dates. In India, England and most of the Commonwealth countries, it begins on 1 April, in the USA, Australia, Italy, Sweden and other countries on 1 July, and in France and a number of other continental countries on 1 January.

In India, the work of preparation of budget starts in the month of July or August, about six to eight months before the commencement of the next financial year, when the Ministry of Finance sends out printed forms for estimates of revenue and expenditure to the various departments. The heads of the departments send those forms to the disbursing officers—heads of local offices—who prepare the preliminary estimates. The task of preparing these estimates is perhaps the most important one. As per P. K. Wattal, it is not a simple arithmetical exercise in striking out average of previous years and putting in a safe figure which would not look exactly like repetition of the last year's performance. Behind figures lie the insistent realities of administration. The circumstances of no one year are exactly similar to those of the previous years and yet they are not quite dissimilar. One has, therefore, to use his judgement in estimating the similarities and dissimilarities and making due allowance for each. Every care should, therefore, be taken in the preparation of the estimates. While preparing the estimates the local officers are to fill in the columns of the prescribed form which relate to (a) actuals of the previous year; (b) sanctioned estimates for the current year; (c) revised estimates for the current year; (d) proposed estimates for the next financial year, with explanatory notes for any increase or decrease in estimates; and (e) actuals of the current year available at the time of preparation of the estimates and actuals for the corresponding period of the previous year. According to Ashok Chanda, 'the preparation of estimates on new projects at the time of their inclusion in the budget proves in most cases to be difficult.... The estimates given have often to be based on mere expectations and on nothing more concrete and positive. Nevertheless, unless a figure is communicated to the Finance Ministry for inclusion in the budget estimates, the scheme cannot be taken in hand when it matures'.

#### *Scrutiny of the estimates by heads of the departments*

The local offices send the estimates to the Heads of Departments, that is, the controlling officers, for scrutiny and review. The Controlling Officer has to judge the relative importance of the proposals from the

various branches and sections of his department for new expenditure in the light of the possible grant for the department as a whole. He has, therefore, to accept some of them and reject others. Then he consolidates the estimates for the whole department. The estimates from the various departments are sent to the appropriate ministry or department to be scrutinised there once again in the light of its general policy. The estimates then are passed on to the Budget Division of the Ministry of Finance.

### ***Scrutiny by the ministry of finance***

The Finance Ministry critically examines the estimates of income and expenditure: 'The scrutiny applied by the Finance Department is different in character from that applied by the administrative department. The administrative department is responsible for the policy of the expenditure or its necessity or general propriety. But the Finance Department is mainly concerned with economy and is, therefore, entrusted with the duty of keeping the demands of the departments within the funds available. The unresolved differences of opinion between the administrative departments and the finance departments are submitted to the government for making decision. The scrutiny of the estimates by the Ministry of Finance is thus made from the financial point of view, that is, of economy and availability of funds. The ministry then prepares an estimate of income and expenditure of the Government of India as a whole. On the basis of the estimated expenditure, proposals regarding fresh taxes are made in the budget. In other words, the budget is divided into two parts—the Income side and the expenditure side. The budget consolidated in this form is ready by December.

### ***Approval by the cabinet***

The Finance Minister examines the budget estimates somewhere in January and in consultation with the prime minister prepares his financial policy with regard to taxation and other issues. The budget is then submitted to the cabinet, which is responsible for laying down the general course of policy. When the cabinet has approved the budget, it is ready for being introduced in the Parliament.

## **Enactment of Budget**

Article 265 of our Constitution provides that, 'No tax shall be levied or collected except by authority of law' and Article 266 provides that 'no money out of the Consolidated Fund of India or the Consolidated Fund of States shall be appropriated except in accordance with law and for the purpose and in the manner as passed by the legislature'. The sanction and the approval of the Parliament is, therefore, necessary to be obtained before money can be raised or spent. The budget goes through the following stages in the course of its passage in the Parliament.

### ***Presentation of budget***

The budget is to be presented in the Parliament much in advance of the commencement of the financial year, that is, 1 April, so that the legislature should have ample time to study and discuss it and pass it by the date. The Finance Minister presents it usually in the first week of February. The budget is placed before both the houses of the Parliament. The Council of States can only discuss it as the power over grants is vested in the House of People only. The budget is composed of two parts: Budget Speech of the Finance Minister and Budget estimates which include estimates of the coming year, the revised estimates for the current year and the actual accounts for the past year. The speech of the Finance Minister is always of great importance and is eagerly awaited by the business- and financial circles, as it contains information about

general economic conditions of the country and reveals what new taxes are to be imposed and which of the existing taxes are to be increased or decreased.

### ***General discussion***

According to Rule 130 of the Rules of Conduct of Business of Parliament, 'no discussion of the Budget shall take place on the day on which it is presented to Parliament'. The Speaker, therefore, fixes a date on which general discussion on the budget is to take place. Such a date is generally fixed one week after the presentation of the budget and about four days are allotted for the purpose. Discussion is confined to the general principles or policy underlying the budget, and involves review and criticism of the administration and ventilation of the grievances of the people.

### ***The voting of demands***

After general discussion on the budget is over, the Parliament is not in a position to discuss the budgets of various ministries in detail because of scarcity of time and capability of its members. For this purpose, it has constituted standing committees for several ministries, comprising members of Parliament, which are entrusted with the task of scrutinising the estimates of revenues and expenditures of their respective ministries. The house is adjourned for about three weeks to enable the Standing Committee to undertake this exercise. The committees prepare their reports to be discussed by the House of People when it assembles again for voting of demands. The total number of days allotted for the voting of demands is twenty-six, as in Britain. The Speaker, in consultation with the leader of the house, fixes a time limit for particular demands or groups of demands and for the entire expenditure part of the budget. As soon as the time limit for any demand is reached, it is immediately put to vote whether the discussion on it is complete or not. Similarly, on the last day allotted for the voting of demands, the Speaker puts to vote all the demands which remain outstanding and disposes them off whether they have been discussed or not. The discussion gives the opposition an opportunity to criticise the government. The minister concerned has to defend the administration against all criticism. A demand when voted duly becomes a grant.

### ***Passage of the appropriation bill***

Voting of the grants, however, does not empower the government to withdraw money from the Public Fund. Article 114(1) of the constitution provides that after the grants have been made by the House of the People, a Bill, which provides for the appropriation out of the Consolidated Fund of India, shall be introduced in the house. It may be noted that no amendment to the grants as voted by the house or to the Consolidated Fund charges can be proposed. After being passed by the house it is certified by the Speaker as a Money Bill and sent to the Council of States.

### ***Passage in the council of states***

The Council of States has neither the power to amend nor reject it; it can only discuss and make recommendations within 14 days to the House of People, which may or may not accept them. Even if the Lower House rejects the suggestions of the Council of States, the Bill will be considered as passed by both the houses in the form as it was passed by the Lower House. In case the Upper House does not make recommendations within the 14 days, even then the Bill will be deemed as passed by the Upper House as well.



***President's assent***

When the budget has been passed or is deemed to have been passed by the Parliament, it goes for the assent of the Head of the State. The president cannot return a Money Bill for reconsideration and his assent to it follows as a matter of course.

***Passage of the finance act***

The Appropriation Act authorises the Government to appropriate money from the Consolidated Fund, but so far it has not been provided wherefrom the money for expenditure would come. Provision is, therefore, to be made for collecting the required money by way of taxation. For this purpose a finance bill is placed before the House. This Bill embodies the taxation or revenue proposals for the ensuing financial year. The Finance Bill follows the same procedure as any other Bill and when it is passed by the Parliament, the Government is authorised to collect the taxes. With the passage of the Appropriation Bill and the Finance Bill, the enactment of the budget is complete.

***Vote on Account***

Sometimes in India, the Parliament or a state legislature is obliged not to pass the budget for the entire financial year for the reason that the general elections are imminent and the new government should have the right and responsibility for the budget after it has assumed power; or the new government has come into being before or immediately after the commencement of the financial year and it has little time to prepare the budget, and get it passed by the legislature. In that event, the Government seeks authorisation of the legislature for revenue and expenditure for a short period pending the approval of regular budget. This practice and procedure is termed as Vote on Account, and has been exercised by the Parliament and the state legislatures a number of times.

The terms Consolidated Fund of India, Contingency Fund, the Public Accounts and Supplementary Grants used in the foregoing pages may be explained as follows.

***Consolidated fund***

According to Article 266, the Consolidated Fund of India consists of all revenues received by the Government of India and all loans raised by the issue of treasury bills, loans or ways and means advances and all money received by it in repayment of loans. Article 112(3) of the constitution declares the expenses to be charged on the Consolidated Fund. These include the emoluments and allowances of the president of India and other expenditures relating to his office; salaries and allowances of the Chairman and Deputy Chairman of the Rajya Sabha, the Speaker and the Deputy Speaker of the Lok Sabha, the Judges of the Supreme Court, the Chairman and members of the Public Service Commission, and the Comptroller and Auditor-General of India; charges in respect of public debt of India such as interests or sinking funds; certain pensions such as those of the Judges who were serving in any part of the country before the commencement of the new constitution; any sums required to satisfy any judgment or decree of a court or arbitral tribunal and any other expenditure declared by law of Parliament to be a part thereof. These items are non-votable, as they are of a fixed or inevitable nature and admit of no reduction or variation. All other expenditures which are paid from the Consolidated Fund are voted by the appropriate legislature.



### ***Contingency fund***

Article 267 of the constitution makes provision for a Contingency Fund for the purpose of meeting unforeseen expenditures, pending subsequent authorisation of the expenditure by the Parliament. It is in the nature of an imprest into which are paid from time to time such sums as may be determined by law. The Contingency Fund of Indian Act, 1950, had provided for a sum of Rupees 15 crores to be put in this fund. This fund is put at the disposal of the President for meeting expenditure required in emergent situations like draughts, floods, earthquakes or epidemics, which cannot be foreseen in anticipation and cannot, therefore, be provided in the grants sanctioned in the regular budget. The corpus of the Contingency Fund was of only Rupees 50 crores in November 1997. It was expanded by the Presidential Ordinance on 15 December 1997 to an amount for necessary and unavoidable expenditure including election expenses, expenditure arising out of additions made to the Fifth Pay Commission recommendations for Central Government employees, increased expenditure in the defence sector and other amounts to carry out government expenditure till the next Lok Sabha was constituted. Article 267 of the Constitution also provides for a contingency fund for the states which is placed at the disposal of the Governor to meet unforeseen needs pending legislative authorisation.

### ***The public account***

The Public Account includes such deposits as State Provident Fund, Depreciation and other Revenue Funds of government departments, Postal Savings Bank, Post Office Cash and other savings certificates, Postal Life Insurance Funds, ad hoc funds created by the government by appropriation from revenue or otherwise, miscellaneous deposits and remittances, etc. The Public Account is thus the fund to which all money received by or on behalf of the government are credited. In other words, all public money other than those credited to the Consolidated Fund or the Contingency Fund, which are received on behalf of the Government are credited to the Public Account. For payment out of the Public Account no demand is required to be presented to the Parliament and the requirements are met by the executive authority from time to time as they arise.

### ***Supplementary grants***

If the amount authorised by the Appropriation Act of the year is found to be insufficient for any service, or if expenditure for some new service becomes necessary, or if expenditure incurred for any service exceeds the amount provided in the budget, the President is authorised under Article 115 of the Constitution to cause to be laid before the Parliament, a supplementary financial statement embodying the supplementary grants which is passed according to the usual procedure followed for the appropriation bills.

## **Execution of the Budget**

The execution of the budget means carrying out the budget, that is, collecting the revenue as authorised by the Finance Act and spending the grants as authorised by the Appropriation Act. The execution or enforcement of the budget is the responsibility of the executive, because the legislature makes grant of money to it and also authorises it to collect the taxes. Execution of the budget involves a number of operations which are: (a) assessment and collection; (b) custody of public funds; (c) disbursement of funds; (d) accounting; and (e) audit.

### ***Assessment and collection***

Assessment means the act of determining as to how much amount is to be collected from different individuals and associations in terms of the authority given by the legislature. Assessment, therefore, involves the preparation of a list of persons liable to pay tax and also determine how much each has to pay according to the prescribed rates. The executive has to devise a suitable machinery and procedure for assessing the amount that is due to the government from an individual or an association. Having made the necessary assessment, government officers proceed to collect the amount due to the government.

The mode of collection varies according to the nature of tax. In certain cases, for example, customs, payment has to be made on the spot. In others, bills may be sent to the assessee and he may be asked to pay the amount in the nearest treasury. In some cases, deduction of tax may be made at source as is done in case of income tax which is deducted from the pay of the salaried employees. Lastly, in some cases government agents or officials may approach the tax-payer directly and demand payment from him, and the collection thus made may be deposited in the treasury.

It is debatable whether the tasks of assessment and collection of revenue should be entrusted to the same officials or to different sets of officials. The supporters of the former view hold that there would be more honesty and fair play under the system; it will ensure greater control over collection of money, and also facilitate auditing, because when the same service has the duty of assessing and collecting taxes, it becomes easy to check one of these operations against the other. But the system is criticised because the two activities are different in nature and hence need different forms of organisations. Moreover, if the same officials are to do both the jobs they shall be heavily burdened. The system of two independent services is also objectionable because such a system will be more expensive and it shall involve unnecessary duplication of records, among other factors. It will, therefore, be appreciated if both the functions are concentrated in a single service, with two different sections to deal with the two phases of the problem, as is done in India where at the Centre as well as in the states, there is a Revenue Department under the charge of the Finance Minister. There are also boards under the minister and they carry out the functions of assessment, supervision of collection and adjudication of revenue disputes.

### ***Custody of funds***

All revenue that is collected has to be placed in safe custody. In the past huge stocks of public money were deposited in the treasury in specially constructed strong rooms. But with the development of the banking system there is little need for the government to keep treasury for the custody of its funds. Moreover, it is not necessary to carry on all financial transactions through cash money as these can be done through cheques. Payment by cheque minimise chances of foul play and embezzlement. In most countries, the Central Bank carries out all monetary transactions on behalf of the government, as does the Bank of England in London. But in a country like India, where the banking facilities are not adequate, it is not possible to have such a centralised system for receiving money and for making payments on behalf of the government. The Reserve Bank of India and where it has no branch or agency, the State Bank of India conducts the treasury business of the government. But since the branches of these banks do not exist as yet at all places, the government has to maintain sub-treasuries and district treasuries.

### ***Disbursement of funds***

Disbursement is the process of withdrawal of money from the treasury for making payment of various liabilities. Care should be taken in the work of disbursement against illegal and inaccurate withdrawals or payments. Particular control is, therefore, exercised by the Ministry of Finance over expenditure. The

legislature makes the grants to the government as a whole, technically to the President and not to individual departments. The Ministry of Finance designates the head of each administrative department as a controlling officer in respect of the expenditure occurring in his department. These officers in turn allocate grants to the disbursing officers—heads of offices working under them. The work of communicating grants to the controlling and disbursing officers is taken up immediately after the enactment of the budget. Expenditure against appropriation is controlled by dividing grants into primary units of appropriation, for example, the pay of officers, establishment, contingencies, etc. The basic unit of expenditure control is the sub-head. The Disbursing Officer alone can withdraw money from the treasury. Hugerresponsibility falls on him. He has to satisfy himself before withdrawing the money that the expenditure has been sanctioned by a general or special order of the authority competent to sanction such expenditure and that the expenditure to be incurred is within the limits of the appropriation granted by the legislature. He has also to keep the accounts of the various transactions and make a report about them to the head of the department and to the Accountant General. The treasurer, that is, the officer-in-charge of the treasury, is also to be equally vigilant while making the payments. He has to see whether warrants of payment, a challan or a cheque is signed by a competent authority or not; further, he has to keep a record of all receipts and payments. The multi-crore Fodder Scam in Bihar is attributed, among other factors, to the negligence of the Treasury Officer, who has allowed the withdrawal of money from the treasuries, in excess of the amounts sanctioned by the competent authorities in connivance, collaboration and collusion with the politicians, ministers—including Laloo Prasad Yadav, Chief Minister—and Heads of Departments concerned, resulting in charge-sheeting and prosecution by the CBI and the institution of corruption charges against them in the courts.

The power of control of expenditure of the head of the department is not finished with allocation of money grants to the disbursing officers. He exercises constant control over the expenditure in his department. The disbursing officers are required to submit monthly accounts to the controlling officer of their departments. The controlling officer gets these accounts classified and consolidated under the various sub-heads and can thus get an accurate and up-to-date picture of the financial position of his department as a whole. He also sends a copy of these accounts to the Accountant General's office and to the Ministry of Finance. The departmental accounts are reconciled with those of the Accountant General on the basis of fortnightly accounts received by him from the treasuries. All this enables the controlling officer to watch the flow of expenditure in his department against the budgetary grants and to apply the necessary control over extravagance or carelessness.

It may be noted that the controlling officers are sometimes authorised by the Finance Department to allow re-appropriations from one minor head to another minor head. But the Finance Department can allow re-appropriation from one major head to another major head or to a wholly new head only with the approval of the legislature which has to be taken by way of supplementary grants.

## ACCOUNTING

Accounting means keeping a systematic record of financial transactions. A good accounting system is indispensable for adequate budgetary control. It is only through systematic accounts supported by vouchers and receipts that the legality and honesty of the transactions, as also the fidelity of the officers handling the funds, can be determined. Secondly, it is through accounts only that it can be ascertained whether provisions of the budget as voted by the legislature have been properly implemented or not, that is, how much has been spent and for what purpose and whether within the budgetary limits or not. That is why

the government accounts are kept under the budgetary forms, that is, under the same heads and sub-heads as those of the budgets. Thirdly, accounts furnish the valuable information needed regarding financial conditions and operations for policy-determining and programme-making. Francis Oakey, in his book entitled *Principles of Government Accounting and Reporting*, rightly defines the term 'accounting' as 'the science of producing promptly and presenting clearly the facts relating to financial conditions and operations that are required as a basis of management'. L.D. White elaborates the significance of accounting in these words: 'The primary functions of a system of accounts are to make a financial record, to protect those handling funds, to reveal the financial condition of the organisation in all its branches, to facilitate necessary adjustments in rates of expenditure, to give information to those in responsible positions on the basis of which plans for future financial and operating programmes can rest and to aid in the making of an audit.' He further says:

From the point of view of the department head or the chief executive early and accurate accounting reports are necessary in order to direct the course of work and future expenditure. They also provide the essential record to demonstrate the appropriate and legal use of funds making certain that each sub-division of an organisation is actually using money for the purpose for which it was appropriated. The accounts and the supporting financial documents provide the evidence on the basis of which the spending officer justifies his expenditure either to the Finance Director or to the Auditor.

## Accounting System in India

The function of accounting is usually vested in the spending agencies of the Government, but in India, until 1976 accounting was separated from the control of the Executive and was vested in the Audit and Accounts Department of India. The duty of keeping the accounts of the Union (except the Railways and Defence accounts) as well as of the states rested upon the Comptroller and Auditor-General of India and his staff. The general rules and forms for keeping the accounts were formulated by the Comptroller and Auditor-General. He was assisted in his task of accounting and auditing by an Accountant General in each State.

### *Separation of audit and accounting*

A peculiar feature of our Account and Audit system until 1976 was the combination of the accounting and audit functions in the same agency, that is, the Auditor-General. This combination of accounting and audit functions in the hands of the same agency was severely criticised for long. It was argued that to combine both these functions in the same organisation is incompatible with the constitutional set-up of the country under which the Parliament has been given the supreme powers of control over national finances. The Parliament can exercise effective control over public finance only through an independent audit of the accounts kept by the executive. The accounts should, therefore, be maintained by the spending departments and they should be audited by an independent authority, as is done in England. In England, every department has its own Accounting Officer who works under a minister and is charged with the function of making of payments, scrutiny of claims and keeping of accounts. The Audit department is separate and it has nothing to do with the accounting. P. K. Wattal emphasised the desirability of separating these two functions by remarking:

[a]ccounting is essentially an executive function and must be under the control of the Executive Head of the Department. Auditing is a quasi-parliamentary function, which involves a checking of the works done by the executive authorities for report to the Parliament. A combination of these two essentially distinct functions in a parliamentary officer (Comptroller and Auditor-General) is good neither for the executive administration nor for Parliament. It is almost as bad as combination of executive and judicial functions. In every modern administration, accounting and auditing functions should be kept distinct and separate from each other. It is only then that the auditor's certificate regarding the correctness of the accounts has any meaning. Where there is a combination of functions, there is necessarily a contradiction in as much as the officer compiling the account is also the officer who certifies its correctness.<sup>6</sup>

The glaring defect of the Indian system of combination of auditing and accounting functions in the same person had been spotlighted by many a commission like the Simon Commission and Walley Commission. In some states and in some departments, the two functions were once separated, but separation could not last long due to reasons of economy. After the advent of freedom, this issue again became so prominent that even the Comptroller and Auditors-General themselves condemned this system and advocated the separation of the two functions from time to time. Narhari Rao, the first Comptroller and Auditor-General of free India, in a note submitted to the Public Accounts Committee, had written:

The present arrangements under which the spending authorities are not responsible for the maintenance of complete and up-to-date accounts relating to the transactions for which they are responsible and duty of compiling and maintaining these accounts rests upon an outside authority, namely, Indian Audit Department, is wholly inconsistent with the various responsibilities of the spending departments, namely, effective control over their financial transactions and the discharge of their responsibilities to Parliament to keep within the budget grants and appropriations. Indeed existing arrangements blur the responsibilities and are highly defective. The separation of Audit from Accounts and organisation of the necessary accounting machinery under the administrative department with a view to removing these serious defects and the enforcement of effective control are essential and overdue and I, as Comptroller and Auditor-General, attach the greatest importance to these reforms being carried out after the minimum interval required to introduce the necessary changes.

The Public Accounts Committee, also in its Third Report (1952–53) had expressed itself in very strong terms in favour of separating accounting from auditing and recommended to the government to relieve the Comptroller and Auditor-General of his accounting functions at the earliest. An abstract from the observations made by the committee on the point in question is reproduced.

The function of payment of moneys and maintenance of initial accounts is that of the executive authority, and it is well known and universally accepted that the agency which has to audit payments should be separate from and independent of the agency which has to make disbursements, as a combination of these functions is likely to facilitate frauds and embezzlement and prevent their coming to light. This places the Auditor-General in a most embarrassing and anomalous position. It is fundamentally wrong in principle, therefore, to make the Indian Audit Department responsible for making payments.

The government accepted the separation of audit and accounts in principle and steps were taken to separate audit from accounts. The Central accounting was accordingly discontinued with regard to three departments of Supply, Food and Rehabilitation with consequent departmentalisation of accounts on 1 April 1955 to begin with. The railway accounts and defence accounts were always kept by the Financial Commissioner for Railways and the Finance Adviser, Defence, respectively. However, it was only in June 1975 that a scheme of departmentalisation of accounts was duly approved by the Government of India on the basis of recommendations of a Cabinet Committee on Administration, which was set up in 1973, to recommend necessary reforms in the field of financial administration. The new scheme was implemented in a phased manner which was launched on 1 April 1976, and was completed by 1 October 1976. Under the new system, the Secretary of the ministry is the Chief Accounting Authority for all transactions of the ministry and its attached and subordinate offices. The Secretary discharges this responsibility through and with the assistance of the Financial Adviser, who is responsible for: (a) the preparation of the budget of the ministry and its departments; (b) arranging payments sanctioned by the ministry; (c) consolidation of the accounts for the ministry as a whole; (iv) the preparation of appropriation accounts for the grants controlled by the ministry; (v) ensuring accuracy of accounts and efficiency of operation; and (vi) introduction of an efficient system of management best suited to the functional requirements of the ministry and its departments.

The Financial Adviser is assisted by a Principal Accounts Officer who is the Head of the Accounts Department. The attached and field offices of the ministry are grouped under one or more pay and accounts offices depending upon their size and area. Each Pay and Accounts Office is under the charge of an Accounts Officer and is manned by trained accounts staff.

The scheme of separation of audit and accounting functions is being adopted by state government as well. Tamil Nadu has already taken the lead but the other states seem hesitant to adopt the scheme due to the extra cost involved. They are likely to follow suit if the Centre agrees to contribute to their financial burden in adopting it.

## MINISTRY OF FINANCE: COMPOSITION AND FUNCTIONS

The legislature in India was granted the power of voting of supplies, under the Government of India Act of 1919. But then certain estimates like the defence estimates were treated as non-votable. The Finance Department was, therefore, to begin with, an organ of executive control charged with the functions of wise house-keeping and economy in expenditure consistent with the policy of the government. As more powers came to be granted to the legislature, the Finance Department was made responsible for the imposition and regulation of taxation subject to legislative approval, the collection of revenue through the Central Board of Revenue, the supervision and coordination of departmental budget estimates and the control of public expenditure, public debt, currency and banking. The legislature then did not possess the right to disapprove the executive policies by refusing the supplies, as the Governor-General had the legal power to certify the estimates.

Since the formation of the Interim National Government in 1946, the Ministry of Finance has been under the charge of a Finance Minister, who may be assisted by a Minister of State or a Deputy Minister, or by both of them. The ministry is responsible for the administration of the finances of the Central government and for dealing with financial matters affecting the country as a whole. It arranges for raising the resources for developmental and other requirements and regulates the taxation and borrowing policies of the Government. It deals with all problems connected with banking and currency, and, in consultation with the ministries concerned, arranges for proper utilisation of the country's foreign exchange resources.

The ministry is now organised into three departments: (a) Department of Expenditure; (b) Department of Economic Affairs; and (c) Department of Revenue and Banking.

## **Department of Expenditure**

It consists of six divisions: (a) Staff Inspection Unit; (b) Defence Division; (c) Cost Accounting Wing; (d) Plan Finance Division; (e) Special Cell; and (f) Bureau of Public Enterprises.

### ***Establishment division***

It is responsible for the administration of various financial rules and regulations including those relating to the conditions of service of the Central government employees. The Implementation Cell is concerned with ensuring the compliance of orders relating to reservation for Scheduled Castes and Scheduled Tribes. The Staff Inspection Unit is responsible for the review of the staffing of government establishments with a view to securing economy.

### ***Defence division***

It exercises financial control over defence expenditure and provides financial advice to defence authorities through officers who are familiar with the organisational problems and requirements of defence and three services. It is headed by a Financial Adviser (Defence Services) who is assisted by three Additional Financial Advisers. The Financial Adviser is fully associated with the formulation and implementation of long-term defence plans. He also functions as the Chief Accounting Authority in relation to defence services and is responsible for internal audit, accounting and compilation of defence receipts and expenditure through the Controller General of Defence Accounts.

### ***Cost accounts branch***

It is headed by a Chief Cost Accounts Officer. The main functions of this branch are to undertake cost studies in various units on the basis of references received from various ministries, and to advise various ministries. Departments of Government of India and public undertakings on cost and accounting matters are referred to for such advice.

### ***Plan finance division***

It was created to coordinate plan finance in the Central sector and in respect of State plans. It deals with matters relating to the framing and financing of the country's plans. It analyses the resources of the state and Central governments as well the state plans, and keeps in close contact with the fiscal management of the states and their resource mobilisation for the plan.

### ***Bureau of public enterprises***

It was set up in 1965.

### ***Department of economic affairs***

The Department of Economic Affairs prepares the government's budget, makes periodic assessments of foreign exchange needs and resources, and takes necessary steps to mobilise and allocate resources, both internal and external, keeping in view the country's plans and development needs. The department is also responsible for policies relating to insurance, currency and coinage, capital issues and foreign investments,



administration of Securities Contracts (Regulations) Act and regulation of stock exchanges. It makes a continuous review of the economic situation and trends in the country and advises the government on the formulation of economic policies. The department is divided into six divisions: (a) Budget; (b) Internal Finance; (c) External Finance; (d) Economic; (e) Administration; and (f) Insurance.

### ***The budget division***

It is of supreme importance as it prepares the Central government's annual budget (other than that for Railways) and is also responsible for the preparation and submission of supplementary demands for grants and demands for excess grants. It also deals with matters such as public debt, market loans and small savings schemes of the Central and state governments. The division also looks after the ways and means, position of the Central and state governments and their market borrowings. It administers the Contingency Fund of India, deals with the implementation of recommendations of the Finance Commission and matters relating to audit and accounting. Fixation of rates of interest of loans given by the Central government, administration of the Central Treasury Rules and submission of reports of the Comptroller and Auditor-General to the Parliament are also its responsibilities. It is in overall charge of the National Savings Organisation as well.

### ***Internal finance division***

It is responsible for control of capital issues. It deals with all matters concerning currency and coinage, administration of mints, the Silver Refinery, the Indian Security Press, the Security Paper Mills and the Bank Note Press.

### ***External finance division***

It is concerned with all matters relating to foreign exchange, including exchange control, administration of the FERA (Foreign Exchange Regulation Act), which has now been replaced by the FEMA (Foreign Exchange Maintenance Act), 1997, foreign investments and economic, financial and technical assistance received by India or rendered by it to foreign countries. All proposals regarding trade and payment agreements with foreign countries as well as broader questions of policy relating to foreign trade are examined in this division.

### ***Economic division***

The Economic Division examines trends in the economy and carries out study and research and advises the government on questions of economic policy. The division is closely concerned with the overall price policy of the government. It also prepares the economic surveys and brings out an economic and functional classification of the Central government budget, which is presented in the Parliament annually.

### ***Administrative division***

It looks after the administrative matters of the department. It is also responsible for work related to administration of grants to various institutions, namely, the Indian Institute of Public Administration, the National Council for Applied Economic Research and the Indian Economic Association.

### ***Insurance division***

This division is mainly responsible for the administration of the insurance acts.



## Department of Revenue and Banking

The Department has two wings: (i) Revenue; and (ii) Banking.

### *Revenue wing*

It exercises control over all revenue matters relating to direct and indirect Central taxes, through two statutory boards, namely, the Central Board of Direct Taxes and the Central Board of Excise and Customs. It also administers the Gold (Control) Act and Rules framed thereunder. It is also responsible for the administration of the Central Sales Taxes Act and the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

### *Banking wing*

is concerned with the formulation and implementation of government policies relating to the working of commercial banks and long-term financial institutions, excluding the Life Insurance Corporation and the Unit Trust of India. It supervises the administration of statutes, rules and regulations and other matters governing the operations of commercial banks and other financial institutions.

## MINISTRY OF FINANCE AS AN AGENCY OF FINANCIAL CONTROL

The Ministry of Finance as an agency of financial control is charged with the responsibility of raising the resources for the overall expenditure of the Government of India; and examining the desirability of the demands of other departments, taking into consideration the interest of the tax-payers. The control exercised by it over other spending departments finds ample justification in the remarks of the Royal Commission on Civil Service. It stated:

On the whole, experience seems to show that the tax-payers cannot be left to the spending departments, that those interests require the careful consideration of each item of public expenditure in its relation to other items and to the available resources of the State, as well as the vigilant supervision of some authority not directly concerned in the expenditure itself and that such supervision can be most naturally and effectively exercised by the department which is raising the revenue required.

The Ministry of Finance, working as an independent agency, acts as an 'external arm' of the Parliament and ensures that the wishes of the Parliament are fulfilled by the executive. The control exercised by the ministry, particularly by its Department of Expenditure, can be divided into three parts:

- (a) control exercised during preparation of the budget;
- (b) control exercised during execution of the budget; and
- (c) control on miscellaneous matters.

## Control Exercised During Preparation of the Budget

During the preparation of budget, it has to scrutinise all proposals emanating from the spending departments in so far as they have financial implications. This enables the ministry to have a hand in

the formulation of policies of other departments. Generally the scrutiny exercised by the ministry is 'very broad in nature...and is more concerned with the overall financial implications of the proposals and its impact on the expenditure'. Thus every proposal or policy having financial implications has to be scrutinised by the Ministry of Finance and the Cabinet attaches considerable weight to the opinion of the Ministry. After all the proposals have been received from the spending ministries, it proceeds to determine priorities of the scheme and suggests economies wherever possible, taking into consideration the standing and continuing charges. Its main concern is to obtain 'proper balance of expenditure between services, so that greater value could be obtained for the total expenditure on another'. To secure a uniform standard in the measurement of the financial sacrifice involved in the activities of all departments, "says Prof. Hawtrey, 'the general criteria adopted' in the selection of new proposals are:

- (i) If the proposal is a proper one, that is, if it merits an expenditure from public funds;
- (ii) If the ministry has the authority to propose such an expenditure;
- (iii) If there is enough justification to show that the expenditure is necessary or desirable;
- (iv) If all parties, substantially interested in it, have been consulted;
- (v) If the costs of individual items are excessive; and
- (vi) If the financial arrangements proposed are the most desirable and economical having regard to the circumstances, or if there are alternative arrangements possible.

It is on the basis of the answers given to these questions that the Ministry of Finance formulates its opinion. Equipped with these answers, it proceeds to review the total estimates in the light of likely revenue for the year. At this stage it can suggest reduction or, as is technically known, 'cuts', if it finds the estimates too high or 'inflated'. It may also reject proposals which its scrutiny may reveal as technically 'unsound'. It is here that the supremacy of the ministry as a controlling agency is most clearly visible.

## Control Exercised During Execution of the Budget

After the budget has been passed by the Parliament, the responsibility for the control of expenditure thereon lies on the administrative ministry and each head of the department who is aided and advised by an Internal Finance Adviser—again a representative of the Ministry of Finance—in the discharge of his responsibilities. During the execution of the budget, it is the responsibility of the ministry to ensure that the amounts are spent properly and economically.

Besides, there are certain matters which still require other departments to keep themselves in touch with the ministry. For instance, prior consultation of the ministry is sought whenever any department wants to spend on schemes whose estimate exceeds a particular limit. This is technically known as 'expenditure sanction'. Similarly, prior approval of the ministry is essential before amounts can be transferred from one sub-head to another, technically known as 're-appropriation'. Besides, the Ministry of Finance, through its accredited Financial Adviser, conducts financial reviews after every quarter in order to know the progress of expenditure. This enables the ministry to make a review of the performance of other departments in monetary terms. It also helps the ministry to forecast next year's budget.

## Control on Miscellaneous Matters

Other areas in which the Ministry of Finance exercises control arise in the various specified fields of expenditure such as grants-in-aid, write-off of losses, waiving of recoveries, contracts, inspection of establishment of other ministries through Staff Inspection Unit, etc.

Thus we find that the control exercised by the Ministry of Finance helps in promoting a financial order in the country.

## FINANCIAL CONTROL: AN APPRAISAL

The financial control as exercised by the Ministry of Finance has been severely criticised. It is alleged that its control extends even to trivial matters, it is too detailed and born out of financial mentality. The policy of the ministry is of saving 'candle ends' and that it betrays an attitude of 'cheeseparing' and 'woodpecking'. Its motto, in the words of Paul H. Appleby, is 'acceptance of precedence and refusal of risks'. The ministry, because of its irrevocable habit of imposing 'cuts' or reductions in estimates, makes the other departments unusually 'inflate their estimates'. This results in 'false economy' being affected by the Ministry of Finance.

No doubt, control by the Ministry of Finance is a delicate affair, 'comparable only to tight-rope-walking' but much is to be lost than gained by relaxing this control. Late John Mathai (a former Finance Minister) had observed:

I think the control that the Finance Ministry exercises even in certain matters of detail has a deterrent effect which is not entirely to be disregarded....[O]n the whole I think more is to be lost than gained, if I issue instructions to the Finance Ministry to relax its present method of control.

Of course, things have changed since John Mathai made this statement, and the Ministry of Finance has already relaxed much of its control in favour of other departments. But the kernel of the problem still stands unsolved: 'How much of control?' It is very difficult to determine the degree of control as too much of it may prove a hindrance and too little of it may create financial disorder. Appleby had rightly stated:

The first concern of financial administration is frugality. The enthusiasms of those charged with special functions have high value; to damp them unduly is wasteful; not to discipline them is to open wide the door to extravagance and imbalance. True economy, consequently, results from the interaction of the drives of enthusiasm with the restraining disciplines of review.

## PERFORMANCE BUDGETING

Performance budgeting is a new concept. It has assumed significance and become an integral part of the process of reform in financial administration. It is a technique of presenting expenditure in terms of what does an organisation seek to achieve and how much, when and at what cost. In the words of Administrative Reforms Commission (ARC), performance budgeting is a technique for presenting government operations in terms of functions, programmes, activities and projects.<sup>7</sup> It shifts emphasis from the means of accomplishment to the accomplishment itself.<sup>8</sup> The First Hoover Commission of the USA (1949) coined the term performance budget. It explained it in the following words:

We recommend that the whole budgeting concept...should be refashioned by the adoption of a budget based on functions, activities, and projects. This we designate a performance budget. Such an approach would focus upon the general and relative importance of the work to be done, or upon the service to be rendered, rather than upon the things to be acquired, such as personal services, supplies, equipment, and so on. These latter objects are, after all, only means to an end. The all-important thing in budgeting is the work or the service to be accomplished, and what that work or service will cost.<sup>9</sup>

The Mayor's Committee on Management Survey (appointed by the City Government of New York) explained the meaning of programme budget, the term it chose for performance budget. In the words of the committee: 'A programme budget tells in advance what activities the departments and the government as a whole are authorised to carry forward in terms of expenditure for a given year. It emphasises the work to be done, not the number of clerks, pencils, and paper to be used in doing that work.'<sup>10</sup>

Performance budgeting may be referred to a process that seeks the implementation and control of programmes through budget allocation. The governmental operations are presented in terms of functions, programmes, activities and projects. In performance budget there is direct correlation of inputs and outputs and performance is assessed in terms of costs. The United Nation's Manual for Programme and Performance Budgeting has defined the four terms (functions, programmes, activities and projects) related to performance budgeting.

Functions represent broad groupings of operations that are directed towards accomplishing a major purpose of government, for example, education, health or agriculture. Programmes refer to broad categories within a function that is, each function is divided into a number of programmes. For instance, education may be divided into higher, secondary and primary education. An activity is a more limited division of action geared towards the attainment of the goals of an operating programme or sub-programme. Training of teachers is an activity. A project refers to a series of activities in an investment programme or sub-programme for the formation of capital goods. Construction of a school building is a project.

## Performance Budgeting: A Brief History

The concept of performance budgeting has its origin in the USA. It was first employed as an experimental measure in the municipal government in the United States. The cities of Richmond and New York were pioneers in this field. The First Hoover Commission recommended the adoption of a budget based upon 'functions, programmes and activities'—the three ingredients of a performance budget.

In India, the Administrative Reforms Commission recommended that the departments and organisations which are in charge of development programmes should introduce performance budgeting.

The various components of performance budgeting are: (a) formation of objectives; (b) programme/activity classification; (c) management accounting; (d) decentralised responsibility structure; (e) delegation of financial powers; and (f) reporting and review of performance.

## Stages of Performance Budgeting

Performance budgeting can be introduced at any level, that is, branch-, department-, or national level. The system of performance budgeting may be discussed under the following heads:

**Objectives**

As far as possible, the objectives of individual programmes are clearly spelt out in quantitative and measurable terms, setting them against long-term aims and goals of the government.

**Analysis**

Long-term strategy and short-term tactics for the attainment of objectives are considered, possible alternative programmes are identified, the costs and benefits of the alternative programmes are worked out and programmes are selected.

**Budget classification**

The programmes taken up for implementation are classified with reference to a classification system.

**Organising**

The roles of different organisations in achieving the specified objectives are demarcated.

**Evaluation**

Criteria for evaluating the programmes with reference to the objectives are evolved.

**Objectives of Performance Budgeting**

According to the Working Group of the Administrative Reforms Commission of India, the primary purposes of performance budgeting are:

- (a) To correlate the physical and financial aspects of every programme or activity;
- (b) To improve budget formulation, review and decision making at all levels of management in the government;
- (c) To facilitate better appreciation and review by the legislature;
- (d) to make possible a more effective performance audit;
- (e) To measure progress towards long-term objectives as envisaged in the plan; and
- (f) To bring annual budgets and development plans closely together through a common language.

The commission also visualised a set of objectives of performance budgeting. In its report on finance, accounts and audit in 1968, it stated that performance budgeting seems, among others, to achieve the following important objectives:

- (a) To present more clearly the purposes and objectives for which funds are sought and state programmes and accomplishments in financial and physical terms;
- (b) To help in a better understanding and better review of the budget by the legislature;
- (c) To improve the formulation process of the budget and to facilitate the process of decision making at various levels of the government;

(d) To enhance the accountability of the management and, at the same time, to provide an additional tool for management control of financial operations; and

(e) To render performance audit more purposeful and effective.

Performance budgeting is complimentary to planning and provides an effective feedback to planning itself.

## Advantages of Performance Budgeting

Performance budgeting has several advantages. Some of them are:

(a) It shows what was done in the previous year and at what cost, both unit-wise and programme-wise.

(b) It fixes responsibility very precisely.

(c) It provides a clear and true picture of spending and revenue alternatives.

According to the Administrative Reforms Commission, the following benefits will flow from the adoption of a performance budget.

(a) A performance budget presents more clearly the purposes and objectives for which funds are sought and brings out the programmes and accomplishments in financial and physical terms.

(b) It helps a better understanding and better review of the budget by the legislature.

(c) It improves formulation of the budget and facilitates the process of decision making at all levels of government.

(d) It enhances the accountability of the management and at the same time provides an additional tool to management control of financial operations.

(e) It renders performance audit more purposeful and effective.

## Performance Budgeting in India

In India, the movement in favour of performance budgeting began in the mid-fifties of the twentieth century. The Estimates Committee (Second Lok Sabha) discussed budgetary reforms in its twentieth report, and recommended that 'Performance-cum-programme system of budgeting would be ideal for a proper appreciation of the Scheme and outlays included in the budget, especially in the case of large scale developmental activities'.<sup>11</sup> The Committee reiterated the recommendation in its seventy-third report submitted in 1960.

In 1964, the Government of India invited an American expert, Frank W. Krause, to examine the feasibility of performance budgeting in India and report thereon. Krause recommended the adoption of a comprehensive but phased plan of action to introduce performance budgeting. The ARC also strongly recommended an early introduction of performance budgeting both at the Centre and in the states, arguing that it 'would help create a built-in-mechanism for watching the progress in attaining programme targets and taking timely corrective action when things go awry'.<sup>12</sup>

The Central Government accepted the ARC's recommendations and announced its decision to introduce performance budgeting in 1968. Initially it was adopted in the case of budgets of four ministries/departments. By 1977–78, about 32 developmental departments of the Central government had switched over to performance budgeting. The scheme has also been adopted by many state governments in selected departments. The implementation of performance budgeting in India leaves much to be desired as it has been deficient in many ways.

## PARLIAMENTARY CONTROL OF PUBLIC FINANCE

The Parliament in a democratic country has the supreme authority in formulating financial policy and approving the ways and means of raising and spending of money. It is the duty of the executive to collect and disburse money according to the financial programme set forth by the legislature. The function of the legislature does not end with the voting of grants for public expenditure; it also has to ensure that the appropriations were spent by the executive for purposes for which they were granted. This is secured by the provision of audit of public accounts by an independent statutory authority, the Comptroller and Auditor-General and the subsequent examination of his report by a parliamentary committee. To make parliamentary control over expenditure fuller and more comprehensive, it is also necessary to subject the estimates presented to the House to a detailed examination in order to secure economies in administration and in the execution of plans and programmes. For this purpose the Estimates Committee is constituted. Parliamentary control over public expenditure is thus exercised through Audit, Public Accounts Committee, and also Committee on Public Undertakings. These various means of Parliamentary Control over public expenditure are discussed in details as follows.

### Audit

Audit implies the control of financial operations on behalf of the legislature. It is the examination of accounts with a view to determining their correctness and of the transactions they embody. In the words of Robert H. Montgomery: 'Auditing is a systematic examination of the books and records of a business or other organisation in order to ascertain or verify, and to report upon the facts regarding its financial operation and the results thereof.' James C. Charlesworth defines audit as 'the process of ascertaining whether the Administration has spent or is spending its funds in accordance with the terms of the legislative instrument which appropriated money'.<sup>13</sup> The United States report of the President's Committee has defined audit as 'an examination and verification of the accounts after transactions are completed in order to discover and report to the legislative body any unauthorised, illegal or irregular expenditure, any financial practices that are unsound and whether the administration has faithfully discharged its responsibility'.

### Objectives and Functions of Audit

In the past audit was conducted only in case of expenditure and that too only to ensure that money has been spent in accordance with the appropriation grants. But at present it is conducted for all financial transactions, whether for receipt or payment, to ensure that money which has been collected and expended is in accordance with the provision of the Appropriation Act passed by the legislature and that there is no fraud or embezzlement. The present audit goes a step further to examine the 'wisdom, faithfulness and

economy' applied by the official in making the expenditure. It is no longer sufficient that appropriations should be applied to purposes approved and should not exceed without parliamentary approval; it is more important that these are wisely and economically expended and that extravagance and waste are avoided. 'The main objective of audit is, to fix the accountability of the officers of the Government for any illegal, improper or incorrect payments made resulting from any false, inaccurate or misleading certification made by them as well as for any payment prohibited by law or which did not represent a legal obligation or fund involved'.<sup>14</sup>

## **Difference Between Auditing and Accounting**

Auditing and accounting are very closely related, yet there exists a great difference between the two. Accounting means keeping a systematic record in financial transactions whether of a public authority or of a private concern or an individual. It is an indispensable means for exercising financial control. Without accounts it is impossible to know how much was received and how much was spent and for what purpose. In the absence of such knowledge there can be no control. It is only through systematic accounts supported by vouchers and receipts that the legality and honesty of the transactions can be determined. Accounting is thus concerned with ensuring that the money requisitioned by the department is provided in the budget, and that only till that limit money is used by the department which is permitted by the budget, and that expenditure is in accordance with the law passed by the Parliament.

The audit has to see that the expenditure is in accordance with the Appropriation Act, that the amounts are correct and all payments and receipts of money are supported by documents and vouchers. It detects errors and frauds and exercises a check on misappropriation and mismanagement. Audit thus begins where accounting ends.

Secondly, the keeping of accounts should be a function of the executive authorities and auditing that of the legislature. It is necessary because those who spend the money must keep accounts and must be responsible for the fact that what they spend should be within the grants made by the legislature. In other words, the auditor must not keep the accounts which he audits.

Thirdly, the Audit Department should have the power to prescribe the accounting system. This is the only way in which the Audit Department can perform its duties efficiently, otherwise spending departments are likely to adopt different methods of accounting which might make the task of audit difficult.

## **Organisation of Audit in India**

The power of auditing is vested in the Indian Audit and Accounts Department of India which is headed by the Comptroller and Auditor-General of India. The office of the Comptroller and Auditor-General came into being in India in 1919, when the first Auditor-General of India was appointed by the Secretary of State under the Montague-Chelmsford Reforms Act. We have borrowed this office from England where it was established under the designation of 'Comptroller General of Receipts and Issue of His Majesty's Exchequer and Auditor-General of the Public Accounts' in 1834. The encumber of that office was charged with the duty of seeing that no money was issued from the exchequer except in accordance with the Appropriation Act passed by the legislature. The Auditor-General in India was then made responsible to the Secretary of State and held office during His Majesty's pleasure. He was thus made independent of the Government of India whose accounts he had to audit. The Government of India Act of 1935 gave him a constitutional recognition. Our new Constitution also, under Article 148, makes provision for such an officer, re-designated as the Comptroller and Auditor-General of India.



## COMPTROLLER AND AUDITOR-GENERAL OF INDIA AND HIS INDEPENDENCE

The Comptroller and Auditor-General (CAG) is the Head of the Indian Audit and Accounting Department. He is the guardian of public finance and he is to see that not even a paise of it is spent without the authority of the Parliament. In order that he may perform his functions properly, it is necessary that he should be independent of the Executive. He has, accordingly, been given a status equal to that of the judge of the Supreme Court. The independence of his office has been secured by making the following provisions in the Constitution.

(a) He shall be appointed by the President by warrant under his hand and seal and shall only be removed from office on the grounds of 'proved misbehaviour' or 'incapacity'. Hence, the general rule that all civil servants shall hold their office during the pleasure of the President does not apply to him.

(b) The salary and conditions of service shall be statutory, that is, as laid down by the Parliament by law, and shall not be liable to variation to his disadvantage during his term of office. The Comptroller and Auditor-General (Conditions of Service) Act, 1971, as amended in 1976, makes the following provisions:

- (i) The terms of office of the Comptroller and Auditor-General shall be six years from the date on which he assumes office. But,
  - he shall vacate office on attaining the age of 65 years, earlier than the expiry of the 6-year term;
  - he may, at any time, resign his office by writing under his hand, addressed to the President of India; and
  - he may be removed by impeachment by an order of the President, passed after an address by each House of the Parliament, supported by a majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting has been presented to the President in the same session for such removal on the ground of proved misbehaviour or incapacity.
- (ii) His salary shall be equal to that of a judge of the Supreme Court.
- (iii) On retirement, he shall be eligible to an annual pension of Rs. 15,000.
- (iv) In other matters, his conditions of service shall be determined by the rules applicable to a member of the IAS, holding the rank of a Secretary to the Government of India.
- (v) He shall be disqualified for appointment to a government office after retirement, so that he shall have no inducement to please the executive of the Union or of any state. It may be mentioned here that an exception was made to the last condition in case of A. K. Chanda, former Comptroller and Auditor-General of India, by appointing him as Chairman of the Third Finance Commission. The propriety of this appointment was questioned on the floor of the Lok Sabha. It was contended that the appointment to the office of the Chairman of the Finance Commission amounted to a government appointment and militated against the spirit of the Constitution which envisaged that high officials like the Supreme Court judges and the Auditor-General should be free from the allurements of the Executive after retirement. The government was of the view that the chairmanship of the Finance Commission was neither an office of profit nor an office, the holding of which was prohibited by the Constitution, as it did not carry any salary except tour allowance, and even free house or electricity amenities were not permitted to him. It was an independent office and the Finance Commission was not within

the control of the Government of India. There was, therefore, no question of his being lured by the offer. The government had not infringed any discretion, good advice and good test. No doubt, Ashok Chanda was one of the fittest persons to hold this position, but it was feared that by simply satisfying a legal quibble or by being right in a technical manner, the government was not satisfying the objectives laid down by the makers of our Constitution.

## **Duties and Powers of Comptroller and Auditor-General**

Until 1976 the Comptroller and Auditor-General of India was made responsible for audit and accounting of all financial transactions of the Central as well as the state governments. But now the accounting function has been transferred to the executive departments concerned and only the function of audit is performed by him. The Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971—it was amended in 1976—relieves him of his duty of accounting. The duties now performed by him mainly relate to audit and report on all expenditure made by the Government of India, as to whether such expenditure has been made in accordance with law, and for the purpose for which it was sanctioned. In his capacity as an Auditor-General he is responsible for auditing the accounts of the Government of India and those of the states not only from the legal point of view but also from the sense of his own reason and judgment. In other words, he not only has to see that the money spent is in accordance with the provisions of budgetary sanctions but also that it is well spent according to the principles of faithfulness, wisdom and economy. T.N. Chaturvedi, former Comptroller and Auditor-General, had to ascertain whether all charges and suspicions which the country had come to harbour about the notorious transaction of Bofors guns had any substance or not. He had listed numerous irregularities in the deal which have not only cost the country dearly but which will undoubtedly impair our defence capability as well. The report also indicates how the government tried to conceal information from him, how it tried to mislead him with half truths and evasions, and how it took him almost two years to wrest the necessary documents.

The Comptroller and Auditors-General have thus tried to uphold the Constitution and the laws in the realm of financial administration. Sitarammaya has rightly remarked that the C&AG is the supreme master who has his own judgment to look to and who has no frown or favours to be guided from outside. He is free from any kind of pressure and his report is, therefore, impartial and objective. He acts as an extended arm of the Parliament in controlling public expenditure. He is one of the essential ingredients of parliamentary democracy. In the words of Durell, he is the agent of the Parliament, he is the Parliament and the Parliament works only through him.

Audit reports of the Comptroller and Auditor-General of India show dismal performance of the respective governments at the Centre and in the States. For example, three audit reports for the previous financial year in respect of civil, revenue receipts and commercial, presented in the Punjab Vidhan Sabha along with the budget on 20 March 1997, include observations on efficiency-cum-performance evaluation of selected projects and outline several instances of financial irregularities and consequent glaring losses.

The summary report of all three reports taken together itself showed that the 'principle of sound public finance had been eroded'. The summary went on to give 'evidence' through a host of financial statistics, Lapses, delays, over-payments, unutilised funds, loss of interest, non-revalidation of sanctioned amount, shortfalls of excess in achieving targets, and utter financial means, to name some aspects. Seldom are these reports accepted as they should be and action taken against the ones responsible for such gross misuse of public money. The manner in which the funds for Central assistance projects are used to play drucks and drakes or are simply utilized, or misutilised, is amazing.

If the audit report (commercial) reveals that out of 47 government companies, accounts of 42 were in 'arrears' for 1 to 22 years, it does not matter or concern anyone. The compilation of at least 22 companies, however, showed a loss of Rs 11.70 crore, with four such companies suffering loss for four consecutive years with the loss amounting to an accumulative Rs 106.35 crore. May it be commercial, revenue receipts or civil, the story is the same, may it be the department of home affairs, police, industries, transport, finance, or Scheduled Caste Welfare Corporations, irrigation project (hydro-electric) or thermal, institute of public administration (whose building under construction at Chandigarh records escalated cost simply because the executive committee could not meet between November 1989 and July 1994, resulting in excess investment of Rs 41 lakhs towards the cost of plot, extension fee and overrun cost) bus stands, Red Cross shops on hospital premises, purchases of drugs, or medicines, upgradation of equipment and machinery in its procurement of foodgrains by Punsup, supply of power by the PSEB, State Electronics Corporation, agriculture, or animal husbandry, wherever one puts a finger in any government pie, it stinks of mismanagement, callousness and lack of accountability. No one seems to bother how government finances could be better utilised for the intended purpose.

## Criticism of the Indian Audit System

Despite the appreciation earned by the C&AGs for performing their duties most conscientiously, there has been a lot of criticism about our audit system in recent years. Paul H. Appleby, an American expert on public administration, who was invited by the Government of India to examine our administration, severely criticised our audit system in his second report, 'Reexamination of India's Administrative System'. He had made the following observations:

- (a) The system is in a large measure an inheritance from colonial rule; it upheld that rule and was an integral part of it.
- (b) The Parliament and the public give undue importance to the audit report and 'on so doing, Parliament increases the timidity of public servants at all levels, making them unwilling to take responsibility for decisions, forcing decisions to be made by a slow and cumbersome process of reference and conference in which everybody finally shares dimly in the making of every decision, not enough gets done and what gets done is done slowly'.
- (c) The Comptroller and Auditor-General's function is not really very important one. Auditors don't know, and can't be expected to know, very much about good administration, their prestige is highest with others who don't know much about administration. What auditors know is auditing, which is not administration; it is a necessary but highly pedestrian function with a narrow perspective and very limited usefulness.
- (d) Referring to the audit of public undertaking, Appleby had said: 'auditing in each enterprise must be done in a fashion as to fit the nature of its operation. This means that for this purpose auditing should be done at the direction of the board of directors according to principles and methods set forth from time to time by the boards'. 'Auditing can be done in ways to satisfy both requirements in the case of industrial and commercial enterprises operated by the Government or by private auditing firms'.

Ashok Chanda commented on the points of the Appleby report and said: 'Appleby seems allergic to audit which he describes as "highly pedestrian function with a narrow perspective and very limited usefulness". This attitude of mind has obviously coloured his observations on the Indian Audit organisation.' Ashok

Chanda referred to the increasing role of the audit in the USA and the UK and felt that Appleby's criticism was unduly severe. He felt that audit was all the more important for democratic administration and its importance should not be minimised for effective financial control. Of course, Chanda himself felt that there was need to re-organise and re-orient our audit system so as to meet the requirements of developing administration. He said: 'In the past, audit and administration have functioned in watertight compartments. There has been little inclination to get together to understand each other's points of view and what is more important to clarify issues and take remedial measures. Objections are raised, technical in character, even in respect of schemes and projects which have been executed with competence and expedition. It must be recognised that the purpose of a plan or project and the manner in which it is being implemented, are far more important, than mere technicalities.

## Public Accounts Committee (PAC)

Public Accounts Committees in India were created both at the Centre and in the provinces for the first time after the introduction of Montague-Chelmsford Reforms of 1919. Under the new Constitution, the Parliament derives its powers to set such a committee from Article 118(1). Similar power has been conferred on state legislatures by Article 208(1) of the Constitution. The Parliament has accordingly laid down in Rule 143 of its Rules of Procedure and Conduct about the Constitution and functions of the Committee.

### Composition

Public Accounts Committee is set up at the commencement of first session of the Parliament. Its strength was initially fixed at 15 members only of the House of the People. But in 1955, it was increased to 22 to provide for the representation of the Council of States as well. Though technically the Council of States is not directly concerned with the voting of supplies, yet as its members were equally interested in the efficient and economic administration of the country, it was considered desirable to associate seven members from the Council of States also with the Public Accounts Committee. In the words of late Prime Minister Jawahar Lal Nehru: 'The association of the nominees of the Council of States with Public Accounts Committee was necessary because the function of the Committee was purely investigatory and since under Article 151(1) of the Constitution Public Accounts and Audit Reports were to be presented to both the Houses, it was open to the Council of States to appoint its own committee but instead of two, it would be desirable if only one committee was appointed.' The members of the committee are elected by the Parliament every year from amongst its members according to the principle of proportional representation by means of a single transferable vote so that all the parties may find due representation in it. The quorum for the meeting of the committee is fixed at four. The Chairman of the committee is appointed by the Speaker from amongst the members of the committee, but if the Deputy Speaker is the member of the committee, he is *ipso facto* the Chairman of the Committee. The Chairman has a casting vote in case of a tie.

### Functions

The main function of the Public Accounts Committee is to examine the report of the Comptroller and Auditor-General in order to ascertain the money as shown in the accounts as having been disbursed were legally available and meant for the services or purposes for which they have been spent. The examination of the committee extends beyond the formalities of the expenditure to its 'wisdom, faithfulness and economy'. It is the duty of the committee among other things to draw the attention of the Parliament to cases of improper, wasteful or extravagant expenditure. It is to detect frauds, irregularities, misappropriation, etc.

### ***Working procedure***

The Comptroller and Auditor-General submits his report to the President or the Governor, as the case may be, who causes it to be laid before the legislature concerned which, in turn, refers it to its committee on Public Accounts. The committee examines the government's accounts in the light of the Audit Report and with the assistance of the Comptroller and Auditor-General. The State Public Accounts Committees are assisted by the Accountants-General concerned. As the accounts of each ministry or department come up for examination, the official representative of the ministry appears before the committee to answer the objections or explain the points raised by it. The committee demands an explanation from each ministry for the irregularities or the improper transactions pointed out in the Audit Report. The results of the examination of the committee are reported by its Chairman to the legislature in instalments as they are ready from time to time. These reports contain a summary of proceedings of the meetings of the committee and its recommendations for improvement. A copy of the report is forwarded to the Finance Department which takes up the recommendations with the various ministries concerned. In case the government is unable to implement the recommendations, then it has to state reasons for it. The action taken on the report is communicated to the committee and is printed in the next report.

### ***Utility of the public accounts committee***

Even though the committee conducts a post-mortem examination of the accounts after their having been audited by the Comptroller and Auditor-General, yet it has been serving a very useful purpose by detecting cases of misappropriation and suggesting economy. It shall be worthwhile to record here extracts from some of their reports to have a clear picture of the nature of the functions and utility of the Public Accounts Committee. The first report of the committee on the accounts of 1948–49, among other things, pointed out two instances where consideration of economy had been thrown to the winds. First, the purchase of whisky by the Indian High Commission was made without calling for tenders. Secondly, an unprofitable expenditure of Rs 150 lakhs was incurred on the construction of Barwadi-Sarnath Railway line in the coal field of Bihar, West Bengal. The second report of the committee for the same year's accounts drew attention towards the purchase of jeeps by the Indian High Commissioner in UK, popularly known as the Jeeps Scandal. The committee also pointed out other instances such as those of financial irregularities in the execution of Hirakund Dam and extravagance and lack of proper financial control over the Indian embassies abroad. The Public Accounts Committee has indeed been doing a very useful job and in the opinion of Ashok Chanda, 'over a period of years, the Committee has entirely fulfilled the expectation that it should develop into a powerful force in the control of public expenditure'.<sup>15</sup> In the UK, it is said that 'an opinion expressed with judicial mildness by the Committee' is enforced with much stronger language by the British Treasury in communicating it to be departments; and it is said that whereas the committee has roared as mildly as a sucking dove, the Treasury roars like a Libyan lion. In India also the recommendations of the Committee receive the swift attention of the Finance Ministry and even if it does not roar like the rare lions of Gir, yet it makes its opinion felt on the transactions of business by the Government through the issue of circulars and other necessary orders.<sup>16</sup> In order to make the Public Accounts Committee more effective, Murli Manohar Joshi, Chairman of the Public Accounts Committee, who had presided over the first conference of the committee in the SAARC Parliament held in New Delhi on 30–31 August 1997, had observed that the following recommendations had been made for strengthening the PACs.

- (a) PACs should be empowered to call the ministers concerned to appear before the committee whenever necessary.

(b) It was felt that since the PACs were entrusted with scrutinising public accounts, they should expeditiously dispose the scrutiny of accounts and audit reports and ensure timely and convincing follow-up action on their recommendations. The emphasis should be on performance in terms of cost benefit.

(c) Since a major part of the consolidated fund was charged and not put to vote, there was need to change this trend.

(d) The term of the PAC Chairman should be co-terminus with the term of the Parliament, and change after every one or two years, which is the trend in most of parliaments. This did not allow for proper follow-up on committee recommendations. Also by the time the PAC came to terms with the complexities in government accounts its term came to an end.

(e) The appointment of the Comptroller and Auditor-General should be done in a transparent manner. Associating the leader of the opposition and the Chairman, PAC, along with a representative from the judiciary could be one step that would help in appointing a suitable candidate. In Britain, the C&AG is appointed by a resolution moved by the Prime Minister which has the backing of the PAC.

(f) Exploring the possibilities of opening to public the working of PACs, and opening up the proceedings of the PACs to journalists also needed to be considered.

## Estimates Committee

Besides the Public Accounts Committee, there is another committee known as the Committee on Estimates in the Legislature to exercise control over public expenditure. The Public Accounts Committee ensures that the appropriations have been utilised economically and wisely and within the grants and for the purposes approved. But it carries on only post-mortem examination of public accounts; it cannot, therefore, provide sufficient checks over the excess and misappropriations indulged in by the executive. In order that the control of the legislature should be fully effective over public finance, it is equally necessary to provide for a detailed examination of the estimates presented to the House to secure possible economy in the execution of plans and programmes. This function is performed by the Estimates Committee in the Parliament. The system of Estimates Committee in our country has been taken from England where such a committee was first created in 1912 and was invested with the function of examining such Estimates presented to the House as may deem fit to the committee and to report what, if any, economies consistent with the policy underlying those estimates should be effected therein. The idea of an Estimates Committee in India was first moved in 1938 when a resolution asking for the constitution of a Retrenchment Committee to secure a reduction in government expenditure by 10 per cent was moved. But during the British rule such a committee was not created because the foreign government could not allow its policies to be criticised. The Estimates Committee was created in our country after the promulgation of our Constitution in 1950 on the suggestion of John Mathai, the then Finance Minister, to scrutinise expenditure of each department of the government and of the government as a whole.

### Composition

The committee is elected every year from amongst the members of the House of the People only, according to the principle of proportional representation by means of a single transferable vote. Its membership is 30. Its Chairman is appointed by the Speaker from amongst its own members. But if the Deputy Speaker happens to be a member of the committee, he automatically becomes the Chairman. One-third of the members constitute the quorum.

### ***Functions***

The main function of the committee as laid down in the Rules of Procedure and Conduct of Business in Parliament was to scrutinise the estimates and to suggest 'what, if any, economies consistent with the policy underlying the estimates may be effected therein'. Mavlankar, the then Speaker of the House of the People, while interpreting the meaning of the term 'policy' to the committee, had remarked that 'it related only to policies laid down by Parliament by statute. It shall therefore, be open to the Committee to examine any matter which may have been settled as a matter of policy by the government in the discharge of its executive functions'. In mid-1953, the rule was accordingly amended to expand the scope of the committee's examination. Under the new rules, the committee will 'report what economies, improvement in organisation, efficiency and administrative reforms consistent with the policy underlying the estimates may be effected, suggest alternate policies in order to bring about efficiency and economy in administration and examine whether the money is well laid out within the limits of the policy implied in the estimates'. The committee, therefore, now devotes a great deal of attention to the organisational aspect also and to measures which, in its opinion, provide that the money voted by Parliament was better spent.<sup>17</sup> Thus the Estimates Committee in India has a much longer scope of functions and responsibilities than its counterpart in the British Parliament.

### ***Working procedure***

The procedure which the committee has adopted for its work is that it selects the estimates of the ministry or ministries to be reviewed. It then sets about collecting all material relevant to an examination of the estimates selected. The information thus collected from the ministry concerned is circulated amongst the members of the committee. When the committee meets, it may frame further questions to get such information as it may desire. It usually divides itself into sub-committees, each of which is assigned a part of the task of scrutiny. The committee can summon officers of the ministry to furnish such information as the committee may ask for. It may also summon non-officials to tender evidence. It may also undertake tours to examine the work of field establishments of the ministry. The committee then draws up a report and submits it to the House of the People. As the Estimates Committee is a committee of the Parliament, drawing its authority from it, its recommendations are naturally given due consideration by the government. If the government feels unable to accept a particular recommendation of the committee, it makes a representation to the committee for reconsideration of its recommendation. If the committee reaffirms its earlier recommendation, the final decision rests on the Parliament.

The Estimates Committee has done useful work in spotlighting the various acts of omission and commission of the government. In its various reports, submitted from time to time, it has recommended re-organisation of the Secretariat, re-organisation of State-owned or State-controlled industries, the tightening of Parliamentary control over the various projects, and so on.

### ***Utility***

While proposing the constitution for an Estimates Committee, John Mathai, the then Finance Minister, had hoped that it would exert healthy influence upon the course of public expenditure. He had expressed that its suggestions and criticism would give very useful guidance to the government in the matter of regulating expenditure. Secondly, the knowledge that the expenditure of the government and of its every department would be examined in detail by an independent authority, would work as a deterrent to extravagance in public expenditure. Thirdly, though the results of its report would not lead to immediate modifications of the expenditure which had been proposed or of the expenditure which had already been accepted by the House, it would, however, be a guide to the treasury and the ministry concerned with



regard to the basis on which proposals for expenditure should be formed for the coming year. It is gratifying to note that the Estimates Committee, both in the House of the People and State Legislative Assemblies have justified their existence by discharging their functions successfully. But it is an unhealthy trend that the committees are laying more emphasis on a review of the policies of the government and of the structure of departmental organisation to the relative exclusion of a detailed scrutiny of the estimates for which they are primarily meant. They are said to be behaving like Congressional committees in the USA and becoming a 'fault-finding rather than a fact finding mechanism. It is, therefore, desirable that in order to prove more effective and useful, as a mechanism of Parliamentary control, they should be concerned with scrutiny with a view to suggesting possible economies within the estimates presented to the House rather than interfering with the functions of other authorities.

## **Committee on Public Undertakings**

The Parliament set up the Committee on Public Undertakings with a dual purpose of reducing the burden of the other two committees in relation to the examination of public undertakings and of exercising a more effective control on the working of government undertakings. The committee on public undertakings came into existence in the year 1964. It consists of 22 members, 15 from the Lok Sabha and 7 from Rajya Sabha. One-fifth of the members of the committee retire annually. The functions of the committee are:

- (a) to examine, in the context of the autonomy and efficiency of the public undertakings, whether their affairs are being managed in accordance with sound business principles and prudent commercial practices;
- (b) to examine the reports, if any, of the Comptroller and Auditor-General on Public Undertakings and to perform such other functions in relation to public undertakings which were previously being performed by the Public Accounts Committee and the Estimates Committee, allotment of such functions being made by the Speaker of the Lok Sabha.

The Committee cannot, however, examine matters of day-to-day administration of public undertakings, nor can it bring under its purview matters of major government policy in regard to these undertakings.

To conclude, the three parliamentary committees exercise effective control over public expenditure. But, still much more is to be achieved keeping in view the requirements of efficiency and economy in expenditure made by different government departments. The developmental needs of the country can be successfully met if the various departments attempt at minimizing extravagance so that more funds are available for developmental activities. In this regard the Parliamentary Committee as well as the Comptroller and Auditor-General can play an effective role if they fulfill their responsibilities conscientiously, enthusiastically and vigorously.

## **EFFECTIVENESS OF PARLIAMENTARY CONTROL OVER PUBLIC FINANCE**

Parliamentary control over public finance exercised through budgetary process, audit and three parliamentary financial committees—Public Accounts Committee, Estimates Committee and Committee on Public Undertakings—though alleged to be quite comprehensive and elaborate is considered to be inadequate, partial and incomplete for these reasons:



- (a) A substantial portion of budgetary estimates of the demands for grants are approved without discussion for want of time as the budget is to be passed within a stipulated period, and guillotine is applied for no more discussion once the period allowed to the particular ministry has finished.
- (b) The demands of those ministries/departments which are not discussed are supposed to have been passed.
- (c) The Parliament is occupied with discussion on trivial issues and does not apply its mind seriously to the matters that call for its urgent attention.
- (d) Discussions are focused on political aspects of the demands and not on the genuine requirements of the various ministries.
- (e) Even reasonable suggestions made by the opposition are not given due consideration and response by the party in power.
- (f) The Parliament being a large body cannot possibly have the time, energy or expertise to comprehend the implications of technical nature of financial aspects of expenditure and it is, therefore, alleged to okay it without proper deliberations.
- (g) Paul H. Appleby has criticised the audit conducted by the Comptroller and Auditor-General on the ground that he is bereft of the policies of the government and the amounts required for their implementation. He has even termed the check applied by C&AG as farce.
- (h) Supplementary grants put forth by the government to the vote of the Parliament are not subject to the strict scrutiny of the Parliament as the proper budget is.
- (i) Performance budgeting, which has gained popularity in the USA and other countries as a system of improving the performance of various ministries of the government, and their accountability, has not been adopted in full measure. These shortages in Parliamentary control have made Hilton Young to remark: 'the whole laborious process of the Parliamentary control of expenditure by the house is something of a farce'. It is desirable that these deficiencies in Parliamentary control are removed to make the control healthy and effective. In short, the time taken for discussion in the House should be considerably increased to enable members to participate in the discussion which at present they cannot do because of paucity of time. Members need to be imparted proper knowledge through training courses about the financial and economic administration. Demands should be deliberated, discussed, debated and voted on their merits and not exclusively on partisanship considerations. The working of the parliamentary committees needs to be improved in terms of their composition and procedures as mentioned earlier. Lastly, the introduction of the Standing Committee for thorough and detailed scrutiny of the demands as provided in the budget for various ministries of the government is a praiseworthy innovation as the report submitted by these committees contributes to the saving of time of the Parliament to be consumed in the thorough examination of the budgetary provisions and the economy of labour in concentrating on the reports submitted to it by the committee. It should also be ensured that the recommendations made by the parliamentary committees are duly implemented. These steps as mentioned will certainly go a long way in strengthening and making really effective the control of the Parliament over public finance.

## REFERENCES

---

1. Kautilya, 1956, *Arthashastra*, Mysore: Raghuvver Printing Press, p. 65.
2. Quoted by M. P. Sharma, 1978, *Public Administration: Theory and Practice*, Allahabad: Kitab Mahal, p. 449.
3. Felix A. Nigro, 1951, *Public Administration: Readings and Documents*, New York: Rinehart and Co. Inc., p. 312.
4. L. D. White, 1958, *Introduction to the Study of Public Administration*, New York: Macmillan, p. 201.
5. Ashok Chanda, 1958, *Indian Administration*, London: George Allen & Unwin, p. 220.
6. P. K. Wattal, 1962, *Parliamentary Financial Control in India*, Bombay: Minerva Book Depot, p. 112.
7. *Administration Reforms Commission: Report on Finance, Accounts and Audit*, 1968, New Delhi: Government of India, p. 7–8.
8. Jesse Burkhead, 1956, *Government Budgeting*, New York: John Wiley, p. 477.
9. The U.S. Commission of Organisation of the Executive Branch of the Government, 1949, *Report on Budgeting and Accounting*, Washington: Government Printing Office, p. 8.
10. Modern Management for the City of New York, Volume 1, *Report of the Mayor's Committee on Management Survey*, pp. 102–03.
11. Estimates Committee (Second Lok Sabha), 1959, *Twentieth Report on Budgetary Reforms (1957–58)*, New Delhi: Lok Sabha Secretariat, p. 12.
12. Administrative Reforms Commission, *op.cit.*, p. 7.
13. James C. Charlesworth, 1951, *Government Administration*, New York: Harper and Brothers, p. 344.
14. Quoted in L. D. White, 1958, *An Introduction to the Study of Public Administration*, New York: Macmillan, p. 295.
15. Ashok Chanda, *op. cit.*, p. 183.
16. D. Prem Chand, 1963, *Control of Public Expenditure in India*, New Delhi: Allied Publishers, p. 480.
17. Ashok Chanda, *op. cit.*, p. 191.

## Accountability and Control

---

Administrative responsibility can be defined as the liability of the officials to give a satisfactory account of the exercise of the powers or discretion vested in them to someone to whom it is due. Failing to provide the same leads to some kind of punishment. According to L. D. White, 'Administrative responsibility consists of the sum total of the constitutional, statutory, administrative and judicial rules and precedents and the established practices by means of which public officials may be held accountable for their official action.' Pfiffner makes a distinction between 'responsibility' and 'accountability'. He writes that accountability refers to the formal and specific location of responsibility while responsibility is a highly personal moral quality and is not necessarily related to formal status or power. Responsibility refers to the public servant's responsiveness to public will while accountability denotes the specific method and procedure to enforce the public servant's responsibility. Responsibility is, therefore, subjective and works from within. On the other hand, accountability is objective and works from without.

The problem of administrative responsibility is assuming ever increasing importance in the modern welfare states wherein the civil servants not only execute the public policy but are also instrumental in initiating and formulating it and in the process exercise power and discretion in the discharge of their duties. Effective control is, therefore, required to provide safeguard against misuse of power by the administration.

### **TYPES OF ADMINISTRATION CONTROL**

There are two main types of administrative control: internal control and external control. Internal controls are those which are fitted into administrative machinery itself and work automatically with the movement of the machinery. The external controls, on the other hand, are those which operate from outside, and may be in the form of accountability of the administration to the legislature, the executive, the judiciary and the people themselves. Internal controls are of the following kinds:

**Budgetary control:** One of the effective ways of controlling the administrative branch is the passing of the budget by the legislature. The administration is thereby authorised to collect revenue and incur expenditure for the various services. No money can be withdrawn from the public funds without the previous sanction of the Finance Ministry and the Auditor General of India. When money is spent, there is an audit of financial operations to ensure that the money has been spent on items for which it was sanctioned and that there is no misappropriation or embezzlement. The audit report of the Auditor General is examined by the Public Accounts Committee of the Parliament and is further discussed by the Parliament itself.

**Personnel management control:** Civil service is internally controlled through personnel management also. The hierarchical structure of the administrative machinery provides the internal control automatically. In such a system if there is any neglect anywhere, the official concerned is immediately held responsible by his or her immediate superior officer and is pulled up or even reprimanded and if the negligence is very serious, it may lead to issuing of a strict warning, loss of increment, demotion, dismissal or even prosecution. Again, the recruitment of the personnel of the various departments, their salaries, terms and conditions of service are determined by a central agency like the public service commissions. This control not only standardises the system of personnel management but also reduces abuse in personnel matters.

**Efficiency survey control:** The officers of the various departments inspect and tour the field offices in order to ensure that administration is being carried out in accordance with rules and regulations.

There is no universal standard of measuring efficiency which could be applied to all the jobs equally. Still the quantity, quality and system of work could be some of the guiding principles.

**Professional morality control:** Every profession has its code of morality which has to be observed by one and all in that profession. Professions like law and medicine have formal, legal means of enforcing standards upon their members. Any person found guilty of unprofessional conduct is taken to task by other members of the profession, and for a more serious offence, they may even be debarred to practice the profession. The civil services have also developed a code of morality more appropriately called 'administrative ethics' which consists of high traditions of loyalty to the nation, devotion to work and high sense of integrity and public good. This code of morality is followed by the civil service automatically for the pride of it. This form of control is most effective of all the formal checks, because no member would dare to go against the professional code of ethics for fear of ostracism and ridicule.

**Administrative leadership:** This is the most effective means of internal control. If the top officers are honest and incorruptible, the subordinates would usually not dare to resort to corruption, negligence, etc. The need of such an inspiring leadership, among our administrators in particular is very urgent if we want that our administrative machinery should run smoothly to the satisfaction of one and all.

## External Controls

External controls flow from the people themselves, the legislature, the executive and the judiciary. The existence of responsibility of administration to one or another of the above controlling authorities depends upon the constitutional system of the country. In the cabinet system of government, as in the UK and India, the legislature controls the administration much more effectively than its counterpart under the

presidential form of government as in the USA. The control of the people in countries practising direct democracy as in Switzerland is more far reaching than in the countries where there is indirect democracy. In some countries, administration in practice is more responsible to the political party than to the constituent authorities of the Constitution, as it was, for example, to the Communist Party in the erstwhile USSR.

### **Popular control over administration**

People are the ultimate sovereign in a democratic government. Hence, final and ultimate responsibility of the public officials is to them. But in the modern states, people cannot exercise direct control over administration as they are generally ignorant and unorganised—neither have they the necessary time nor the capacity for it. The public control over administration, is therefore, mainly indirect and informal which is exercised through their representatives. Still there are some formal and constitutional means of popular control also which are practised in different countries through the system of (a) Recall, (b) Referendum and (c) Initiative.

In some countries as in Switzerland and some states of the USA, administrative officials are also elected by the people. There, the people have the right to *recall* them also, which means that if officials do not discharge their duties properly, the people can call them back, even before the expiry of their term by voting against them in a poll which is conducted specially for this purpose at the request of stipulated number of voters entitled to elect them.

In some countries, people control the administration through their powers of *referendum* and *initiative*. According to the first device, a law passed by the legislature is referred to the people for their votes and it is put into effect only when it is approved by the majority of popular votes. The second device arms the people with the positive power of taking the initiative themselves in asking the government to make a particular law for them. The government on receiving such proposals either in concrete shape or only in outlines, and if it agrees with the proposal, frames a law accordingly. But if it differs, it has to go to the people for their verdict and if the verdict given is in favour of the proposal, the government has no alternative but to draft the legislative proposal as desired by the people and to get it passed by the legislature. These forms of direct control are however, practicable in small states only. They cannot work in countries with large population such as of India and China.

### **Parliamentary or legislative control of administration**

In modern democratic countries, people exercise control over administration through their representatives, who constitute the legislature. The control of the legislature over administration is most important and effective. The legislature is the source of all administrative authority: It lays down the public policy—the work programme; it decides the nature and scope of administration; the number of personnel required to build the administrative machinery; the methods and procedure of work; and makes available the necessary funds for carrying the policy into practice. Having done all of this, the legislature proceeds to supervise, direct and control the administration so that the public policies determined by it may be executed in an efficient manner.

In parliamentary forms of government, it is not the official who is responsible to the legislature; it is the ministers who have to shoulder responsibility for the administrative acts of their departments and if they fail to satisfy the parliament and cannot carry the majority of the parliament with them, they have to resign. The officials cannot be called in the legislature to explain their acts of omission or commission nor can they be criticised. They do appear before the committees of the parliament yet they cannot be obliged to answer personal criticism.

## Means of Legislative Control

The legislative exercises supervision and control over administration through the following means:

**Budgetary control:** The most effective legislative control over administration is exercised through control over the purse-strings of the nation. Not a paisa can be spent without sanction of the legislature. It is true that the demands for grants made by the executive can neither be rejected nor reduced, so long as it enjoys majority support of the legislature, yet the voting for the grants is to be preceded by debate and discussion which provide an excellent opportunity to the opposition to criticise the government and expose its failures.

**Control over delegated legislation:** The legislature usually lays down policies in general terms and delegates authority to the administration to fill in the details. But this does not mean that the administration can exercise the discretion in any way it pleases. The Parliament exercises control over delegated legislation by constituting a committee on subordinate legislation charged with the function of scrutinising and reporting to the House whether the powers delegated by the Parliament have been properly exercised within the framework of the statute delegating such powers.

**Debates and discussions:** The Parliament is provided with many occasions for discussions and debates, most important of which are the inaugural address by the president, the budget speech of the finance minister, the introduction of new legislative measures or amendments of the existing ones and so on. At such occasions, government policy and the working of the departments are thoroughly discussed and debated; the members may comment, criticise or praise any aspect of the department's work. In the words of Warner, 'such an occasion may be a true testing time of departmental performance and competence.'

**Resolutions or motions:** The legislature also controls the administration through motions and resolutions. A resolution is only recommendatory, yet a government which claims to be based on popular consent dare not ignore it. Motions of various kinds such as cut motion, call attention motion, no-confidence motion, etc. can be moved against a particular minister or government as a whole. Of all the motions, adjournment motion is the most common. This motion is intended to draw the attention of the House to some urgent matter of public importance. If the Speaker permits the motion, the work of the House is suspended and a discussion on the matter takes place. The opposition usually tables such motions to bring to light the acts of omission and commission on the part of the government.

**Question hour:** Questions represent a very powerful technique of Parliamentary control over administration. The 'question hour' is the opening hour of Parliament meetings, when any member of the House can put questions for seeking information regarding any matter. The members usually give a notice of their questions to the ministers. The ministers concerned prepare their answer with the help of the officers of the departments. If the answer to a question is not full and satisfactory, supplementary questions can also be asked. Sometimes the question hour may be followed by half-an-hour discussion when a member feels dissatisfied with the answer given to his or her question. During this short discussion, the House may extract more information on a matter of public policy from the government.

Formally, the object of the question is merely to elicit information about something, but in practice, it is used to draw attention to the failures and abuses of authority (administration) or to the grievances of the people. Regarding the importance of the Question Hour, A. S. Rikhy, Deputy Secretary, Lok Sabha Secretariat, wrote,

It is through question hour that government is able quickly to feel pulse of the nation and adopt its policies and actions accordingly. Questions bring to the notice of Minister many an abuse which otherwise would have gone unnoticed.

Proceeding further he said,

It is through questions in Parliament that the government maintains contact with the public since the members are enabled thereby to initiate the grievances of the public in executive or administrative matters. Questions enable ministers to gauge the popular reactions to their policy and administration.<sup>1</sup>

Speaking about the importance of question hour, C. R. Attlee, Prime Minister of England had observed:

I always consider that question time in the House is one of the finest examples of real democracy. The effect of questions to the Minister and still more questions asked publicly in the House is to keep the whole of the Civil Service on their toes.<sup>2</sup>

Similarly, Hugh Gaits, a prominent leader of the British Labour Party, had remarked:

Anybody who has worked in a Civil Service department would agree with me that if there is one major thinking which leads civil servants to be accessible, conscious, timid and careful, to keep records which outside the civil service would be regarded as unnecessary, it is the fear of the Parliamentary question.

N. V. Gadgil, the Governor of Punjab, had said,

By questions and debate, administration is kept under constant and continuous review. The most trivial detail may be fraught with enormous consequences as the Opposition utilizes its whole time in spotting the executive's weak points and once it catches them, it has boundless opportunities to hammer them constantly.<sup>3</sup>

**Audit and report:** When parliament sanctions money for expenditure, it is also its duty to ensure that the money is spent judiciously. This control over public expenditure is exercised by the legislature, through the Comptroller and Auditor General of India. He audits the expenditure incurred in and outside India by the government and submits his or her report to the legislature. The Auditor-General while auditing the expenditure, examines that the money spent was given due sanction by the competent authority and that it is spent for the purpose for which sanction was granted. It also ascertains that the expenditure is incurred with due regard to the principles of financial propriety. The report submitted by the Auditor-General is scrutinised by the Public Accounts Committee of the legislature and thereafter the legislature discusses its findings.

**Control through parliamentary committees:** The Parliament is not in a position to go into details of the working of various administrative departments, due to lack of time and also lack of knowledge about their activities. It, therefore, makes use of committees to go into the depth of the working of different departments and keep a constant watch on their functioning. Some of the important committees of the Indian Parliament are: Public Accounts Committee, Estimates Committee, Committee on Public Undertakings, Standing Committees for various ministries, Committee on Assurances and Committee on Subordinate Legislation.

The first four committees are mainly concerned with financial control over administration. The Public Accounts Committee examines the report of the Auditor-General about the propriety of expenditure

incurred by administrative departments and then reports its findings to the legislature. The Estimates Committee examines the budgetary estimates sent by different ministries before they are voted upon the Parliament. Its main function is to suggest economies in expenditure. The Public Undertakings Committee scrutinises the reports and accounts of the public sector undertakings. It also examines that the public sector undertakings are being managed in accordance with sound business principles.

Standing committees of various ministries discuss their budgetary provisions in depth after the budget has been presented in the Parliament. This happens because the Parliament has neither the time nor the opportunity to examine in detail the budget of all the ministries.

The Committee on Assurances is responsible to see that the assurances given by the ministers from time to time are carried out within the prescribed time. Sometimes the ministers during question hour or debates give an assurance or make some promises regarding certain matters on the floor of the House. Formerly, it was left to the individual member to keep a watch whether the promises were implemented or not. The government had no obligation to report to any body whether or not the assurances were carried out. Ministers were, therefore, tempted to make false promises to please certain members. But now the rules of procedure of the Lok Sabha and those of the state legislatures provide for the setting up of the Committee on Assurances which consists of some members of the House and functions under the control of the Speaker. In the words of M. N. Kaul, former Secretary of the Lok Sabha Secretariat,

The formation of a Committee on Assurances has helped not only to keep vigil on the administrative efficiency but has also helped in removing many of the defects inherent in the previous system. The Ministers now are careful in giving promises and the administration is prompt to take action on the promises given.<sup>4</sup>

The Committee on Subordinate Legislation exercises the necessary checks over the authority delegated to the executive by the legislation.

## EXECUTIVE CONTROL OF PUBLIC ADMINISTRATION

The executive control of administration is exercised by the chief executive. In parliamentary form of government, the chief executive is only the nominal head and the real powers are vested in the cabinet. The cabinet or council of ministers collectively and each minister individual in charge of one or more departments is responsible to the legislature for the administration of his or her department. A minister is assisted by a secretary and a head of the department in running the administration of the department. The secretary is in charge of the department outside the secretariat. The former is concerned with direction, supervision and control of the department. According to the doctrine of ministerial responsibility, it is the minister who is responsible to the legislature for all acts of commission and omission of the officials of his or her department and if anything goes wrong in the department, he or she may be even urged to resign from office.

According to E. N. Gladden, 'there are three important controls by executive on the civil service, namely, political directions through ministerial administrator, the operation of the national budgetary system and recruitment by an independent authority.'<sup>5</sup>

These three main controls along with other forms of control are discussed below:

**Control through policy:** The executive plays a very important role in policy making. In the USA, it is the chief executive who determines the general lines of administrative action. The chief executive



may delegate the power of formulation of policy to the heads of various administrative departments but overall responsibility remains his or her. In Parliamentary government, it is the cabinet which is responsible for policy formulation, supreme direction of administration and the coordination and control over the various branches of administration. The minister, therefore, as a member of the cabinet and as in charge of one or more departments, controls the administration of department by directing, supervising and guiding it.

**Control through budgetary system:** It is the executive which prepares the budget, determines the sources of income and provides various amounts of expenditure to the departments which they cannot exceed. Personnel requirements of the departments are also determined by the executive. Thus, each department has to remain under the effective and continuous control of the executive for its financial and personnel needs..

**Control through recruitment system:** It is the executive which lays down general principles for recruitment of the civil service. The ministers select their own secretaries and deputy secretaries to run the department. The appointments to other posts are made on the recommendation of an independent recruiting agency—the Public Service Commission.

**Control through executive law-making:** The executive law-making or delegated legislation is another form of executive control over public officials. Most of the laws passed by the legislature are skeletal in character and the executive is empowered to fill in the details. In India, the executive has also the power of issuing ordinances, which are as authoritative and powerful as an Act passed by the legislature, with the only difference that they are issued by the chief executive to meet an emergent situation which may arise when the Parliament is not in session. Further, they are operative for a temporary period only and cease to be in force unless they are approved by the Parliament as soon as it has met.

## Importance of Executive Control

The control exercised by the legislatures is of a general type and periodic in nature, but control exercised by the executive is corrective and stimulatory in nature. A good budget staff and a good personnel office will do more to preserve the liberties of the people than a court, because they will be in operation long before a potential wrong is done.<sup>6</sup>

It is essential that the relation of the minister with the permanent staff is cordial, so that the work of the department may be performed in an efficient and economical manner. The ministers are usually amateurs because they occupy their positions not by virtue of their ability but because of their popularity. They have, therefore, to depend on their permanent secretaries, who are experts in their fields of administration. According to Walter Bagehot,

Government is a combination of special and non-special minds, the civil service forming the first and the minister forming the second element. The success of government depends upon harmonious relations between the two. The Minister should not interfere too much in the detailed working of his or her department. He should lay down only broad outlines of policy and see to it that it is executed faithfully by his or her permanent officials in the department.<sup>7</sup>

In the words of Herbert Morrison,

Relationship between the minister and civil servants should be and usually is that of colleagues working together in a team, cooperative partners seeking to advance public interest and the efficiency of the department. The minister should not be an isolated autocrat, giving orders without hearing or considering arguments for alternative courses, nor on the other hand, should the civil servants be able to treat him as a mere cypher. The partnership should be alive and virile; rival ideas and opinions should be fairly considered and the relationship of all should be one of mutual respect—on the understanding, of course, that the Minister's decision is final and must be loyally and helpfully carried out, and that he requires efficient and energetic service.<sup>8</sup>

Thus, it is obvious that the executive control over administration can be fully effective only when there is team spirit, cooperation and mutual trust between the political chief and civil service..

## Judicial Control Over Administration

The actions of government are subject to the scrutiny of courts of justice. The executives can only act in pursuance of powers given to them by law. According to Justice Douglas, judiciary is the guardian of conscience of the people as well as the law of the land. L. D. White writes, 'Judicial control of administration ensures legality of the acts of the executive and protects citizens against unlawful trespass on their constitutional or other rights.' Judiciary is, thus, the guardian of the citizens' rights.<sup>9</sup>

## Cases of Judicial Intervention

The judiciary can interfere with the administrative as well the quasi-judicial orders, whenever they suffer from lack of jurisdiction, error of law and fact, abuse of authority and irregularities of procedure. It should, however, be noted that the courts cannot interfere in the administrative activities on their own, but only when they are invited to do so by any person, who feels that his or her rights have been infringed or are likely to be infringed as a result of some action of the public official. The circumstances in which courts can intervene in administrative matters are:

- (a) **Lack of jurisdiction:** Every officer is to act within the four corners of the authority entrusted to him and also within a specified geographical area. If they go beyond their power or outside the territorial limits authority, their acts will be declared by courts as *ultra vires* and hence ineffective.
- (b) **Error of law:** A public servant may misinterpret the law and thereby take a decision infringing upon the rights of a citizen. A citizen who has suffered has the right to approach the courts for damages.
- (c) **Error of fact finding:** An official may wrongly interpret facts or ignore them and thus may act on wrong presumptions, which may affect a citizen adversely and so there may be a ground for bringing a case in a court of law.
- (d) **Avenue of authority:** If public officials use their authority vindictively to harm some person, the courts can intervene and punish them.
- (e) **Error of procedure:** Public officials have to act according to a certain procedure as laid down by laws, and if they do not follow the prescribed procedure, the courts have a right to question the legality of their actions. For example, law requires that any employee be served with a notice of the charges

against them before their suspension or dismissal can take place. If an officer takes action against any employee without serving a proper notice, then his or her act may be declared null and void by the courts of law.

## JUDICIAL REMEDIES FOR SUING THE GOVERNMENT AND THE OFFICIALS

The judicial control over the administration can be in the form of suing the state or the government itself or public officials concerned for their wrongful acts. The position in this regard differs in the countries following the system of Rule of Law or the Administrative Law (*Droit Administratif*). The Rule of Law system prevails in England and other Commonwealth countries (including India), the USA and Belgium. The Administrative Law system is practised in France and other countries of continental Europe. The system of Rule of Law in the words of Dicey, famous British Constitutional Lawyer, implies that everybody, high or low, official or private citizen, is subject to the same ordinary law of the land and that the official cannot take shelter behind state sovereignty in committing mistakes in his or her official capacity. This means that the state cannot be held liable for the wrong acts of her officials and the officials themselves are personally liable for their acts of omission and commission. The state thus enjoys immunity from liability in torts, i.e., it cannot be sued for damages and a suit can be brought for damages only against the official concerned. But this remedy is hardly of any use, because the damages decreed by the court against the official cannot usually be recovered due to his or her impecunious condition. An agitation has, therefore, been going on to so reform this system as to make the remedy effective. In England the system was improved by the passage of the Crown Proceedings Act of 1947, which makes the Crown, i.e., the state, liable for torts committed by its servants. But in the USA the state is still immune from tortuous liability of its officials.

In India, the suability of the state is governed by Article 300 of the Constitution, which provides that the state is suable for contracts, i.e., trading functions and is not suable for the tortuous acts of its officials. In practice, however, the state is ordinarily held responsible for the tortuous acts of its servants. In the case of *Rao v. Khushal Chand*, the Bombay High Court has held that the government cannot claim any immunity from illegal acts under Section 176 of the Government of India Act, 1935, when it illegally requisitions land under the Bombay Land Requisition Ordinance. Except in case of strictly 'sovereign' acts, the Government of India is liable for all unlawful acts of its servants. The question of liability of the state government arose when the Supreme Court rejected the contention of the State of Rajasthan for claiming immunity for the tortuous acts of its servants and upheld the High Court's Order, allowing compensation against the state for the tortuous act of one of its employees.

On the other hand, in the countries where the system of Administrative Law prevails, the liability of the state for the wrongful acts of its officials is fully established. There the officials are tried not in the ordinary law courts but in the administrative courts which award damages from the public funds to the aggrieved individuals. The state may later deal with its official at fault as it thinks fit but so far as the citizens are concerned, they can sue and obtain damages from the state.

In the countries with the Rule of Law system, the public officials are no doubt personally liable and suable in respect of acts done by them in their public capacity and they are amenable to the ordinary law and in the ordinary courts of the land, yet there is a distinctive procedure to be followed in bringing a case against them. First, there are certain officials like the heads of the state who enjoy legal immunity, for example, the British monarch is completely immune from legal liability in respect of any of his or her acts done in public or personal capacity. The US President is also immune from any legal proceedings

during the term of office. The US President can only be impeached by the Congress and it is only after removal from office that the president can be tried in ordinary courts for crimes committed as president. In India personal immunity from legal liability is granted to the president of the Union and governors of the states for any act done in exercise of their powers and duties as laid down in the Constitution. During their term of office they are immune from any criminal proceedings even in respect of their personal acts. The ministers have however, no such immunity and they are, therefore, liable for crimes and torts and amenable to the ordinary courts.

The other officials can be sued both in civil and criminal cases. Civil proceedings can be instituted against an official for anything done in his or her official capacity only after the expiry of a two month notice. No such notice is however, necessary when the official is to be proceeded against for an act done outside the scope of his or her official duties. When criminal proceedings are to be instituted against officials for the acts done in their official capacity, previous sanction of the president or the governor, as the case may be, is to be obtained. Many examples can be cited in this regard. The Governor of Bihar had accorded sanction for the prosecution of Bihar Chief Minister Laloo Prasad Yadav and two of his cabinet colleagues involved in the Fodder Scam and the sanction of the President of India had been obtained for the prosecution of IAS officers involved in various scandals and scams.

## Extraordinary Judicial Remedies

In addition to the judicial remedies of suing the government or its officials, the Constitution has provided for a number of writs which may be issued whenever the rule of law is not observed or it is violated. These are:

*Habeas Corpus*: It is a Latin term which literally means 'to produce the body of'. It is issued if there is a prima facie case that a person is unlawfully detained. The detention is not illegal if it is made in accordance with the procedure established by law and if a person who is arrested is not produced before the magistrate within 24 hours of his or her arrest.

In India, the Executive is authorised under the Preventive Detention Act to detain a person for three months for his or her anti-social and subversive activities. But the power under this Act cannot be arbitrarily used. An advisory board consisting of persons of the status of the judge of a High Court investigates the cause of detention and reports that there is, in its opinion, sufficient cause for such detention. In a democratic country, a preventive detention legislation providing restriction on the liberties of the people may be counterproductive. But the circumstances are such in our country that it cannot be abrogated all at once as the subversive elements in the guise of provincialism, linguistic differences and communalism still constitute a threat to our country.

*Writs of mandamus*: *Mandamus* literally means 'a mandate' or 'a command'. The *writ of mandamus* is a command issued by a common law-court of competent jurisdiction, directing any person, corporation or inferior court requiring them to do some particular thing specified therein which appertains to their office and is in the nature of public duty. In short, it is a writ issued to a public official to do a thing which is part of their official duty but which has not been done. This writ cannot be claimed as a matter of right. It will not be granted if the court is satisfied that there is an alternative remedy which is self-sufficient and convenient.

*Prohibition*: In this writ the superior court commands the lower court not to do a thing which it is not authorised to do. This writ can be claimed as a matter of right. Prohibition differs from *mandamus* in that, a prohibition writ can be claimed as a matter of right while the *mandamus* cannot; *mandamus* can

be available against any public authority or official, but prohibition can be issued only against judicial and quasi-judicial tribunals. Prohibition does not require any personal right of interest on the part of the applicant but in the case of mandamus, a person must prove his or her personal right.

*Certiorari*: It literally means to be certified or to be made certain. The *writ of certiorari* means the direction of a superior court to an inferior court for transferring the records of proceedings of a case pending with it for the purpose of determining the legality of the proceedings and for giving more satisfactory effect to them than could be done in the inferior court concerned. The *writ of certiorari* resembles the writ of prohibition as they both are meant to supervise the works of the judicial authority, but certiorari is something more than the writ of prohibition. The latter prevents an inferior court from undertaking a trial but *certiorari* enables the superior court from proceeding with a trial. It enables the superior court to send for records of the proceedings and order of the inferior court, to enquire into its legality and to quash the order if found beyond its jurisdiction.

*Quo warranto*: *Quo warranto* means ‘by what warrant or authority?’ The writ of *Quo warranto* is issued by a court to enquire into the legality of the claim which a party asserts to an office or franchise and to oust him or her from its enjoyment if the claim be not well-founded or to have the same declared forfeited. The conditions necessary for the issue of the writ are: (a) the office under dispute must have been created by the constitution or by a statute and should be public and not a private one; (b) the tenure of the office must be permanent, i.e., it should not be terminable at pleasure; (c) the persons proceeded against must have been in actual possession of the office in question; (d) it is not necessary that the petitioner should be only the legal claimant. Persons, whether they have a direct interest in the office or not may apply for the issue of the writ. The purpose of this writ is thus to try a claim to the public office. The burden of proof to prove his or her title lies on the respondent. The usual judgement in such proceedings is that of turning out of office. If the plaintiff claims and proves his or her title to the office, they are declared installed or the office is declared vacant.

*Judicial activism*: Of late, judiciary has been very active in pronouncing historic judgements on the acts of omission and commission of government and administration including that of governors, central and state ministers and higher civil services especially those involved in various scandals and scams on petitions preferred by public interest litigation promoters. The basic duty of the judiciary is to give a ruling on points of law and to interpret the various provisions of the Constitution. But its duty does not end with awarding of verdicts. Its duty is also to ensure that the verdicts are duly implemented by the Executive. Patna High Court, various other Higher Courts and Supreme Court have directed the C.B.I. to report to it direct in the on-going corruption cases and work on its directions and not to seek orders from the Executive. This has been termed as ‘judicial activism’ by the popular mind and is associated with the courts discharging the functions of the executive. Judicial activism has been hailed by the public as the greatest safeguard against the abuse of authority by the administration and the protector of the rights of the individuals.

## LIMITATIONS OF JUDICIAL CONTROL

The judicial remedies, no doubt, provide an effective control against official excesses or abuse of power and in protecting the liberties and rights of the citizens. But it has certain limitations, such as:

All Administrative actions are not subject to the judicial control. There are many kinds of administrative actions which according to the Constitution, cannot be reviewed by the law courts. Then there is a tendency on the part of the legislature also to exclude by law certain administrative acts from the jurisdiction of the judiciary.

Even in those administrative actions which are within its jurisdiction, the judiciary cannot by itself take cognizance of excesses on the part of official. It can intervene only on the request of somebody who has been affected or is likely to be affected by an official action.

The judicial process is very slow and cumbersome. Its technicalities cannot be understood by a layman and then the procedure is so lengthy that it cannot be known as to when the court would be in a position to give its final judgement. There have been instances when the cases have been pending with the courts for years together. Therefore, cases need to be decided upon expeditiously. The government is proposing to fix a time limit of one year wherein the cases should be disposed of finally. Again, there is the problem of innumerable cases accumulating in the courts. At present there is a backlog of over one-and-a-half crore cases in Indian courts. The Judicial Reforms Commission which the government is contemplating to constitute is expected to suggest remedial measures for this malaise, including augmenting the strength of judicial officers, simplifying the court procedure, increasing the frequency of holding Lok Adalats, establishing consumer's tribunals in large number, etc.

Judicial action is usually an expensive business and cannot therefore be taken advantage of by many people. Filing a suit means paying the court fee, fee of the lawyer engaged and the cost of producing witnesses and undergoing all inconveniences which only those who can afford can bear. Thus, for a majority of Indians, judicial remedies are a costly affair.

Lastly, the courts may not be in a position to give a judgement based on justice in the case of such administrative actions as are of highly technical nature, because the judges are only legal experts and they have no expert knowledge of those technical matters that come up before them for their review. That is why such cases are referred to administrative tribunals, which consist of experts in technical matters. 'It is desirable, however,' remarks E. N. Gladden, 'that the courts should have an oversight of the adjudicative activities of the officials and that there should be proper avenues of appeal to the courts particularly on points of law and that procedure should be adopted by the administrative tribunals which conform to normal judicial principles and practices.'

## **CITIZEN AND ADMINISTRATION**

Administration is entrusted with the task of rendering service to the citizens of a country and fulfilling their expectations and aspirations for leading a purposeful life by executing the government's policies and laws framed by the legislature. The enormous expansion of public services both in size and range as a consequence of the acceptance of the objective of socialistic pattern of society and the ideals of a welfare state affect the citizens in everyday life. From the citizens' point of view, public administration is an instrument and not an end of government; what matters most to them is how it is used and for what purpose. The fundamental aims and objectives which an administration should serve are enunciated in the United Nations Charter as: to safeguard the dignity and worth of the human person, and to promote social progress and better standards of life in larger freedom. As the Preamble to the Indian Constitution mentions, the duty of the state is to ensure respect for human rights and for fundamental freedom for all without distinction as to race, sex, language or religion. While the administration aims to achieve these objectives by implementing the laws enacted by the legislature, it is the duty of the citizens to extend their fullest cooperation and support to the administration in the achievement of its obligations. Thus, both administration and citizens are involved in the promotion of a common objective—welfare of the citizenry—through mutual understanding of their respective roles and their endeavour to perform these to the best of their capabilities. In this regard, administrators (civil servants) must accept their role of servants, not as masters of the

citizens, devoted to the pursuit of not of their own interests but those of the general well being. They should also adjust their modes of functioning in a manner that not even the humblest citizen is deprived of certain specific rights in relation to the public service. For example, the right to be treated with due observance of the rule of law and with justice, impartiality and reasonableness in all his or her dealings with administration; the right to appeal against administrative decisions as a protection against arbitrary and biased treatment and to obtain justice; the right to know what the laws and regulations are and his or her own privileges and duties with regard to them; the right to information on the purposes, organisation and operation of his or her government ; and finally the right to participate in public affairs as far as possible at national, regional and local levels.

It is regrettable that these principles are seldom practised in most of the countries including India. The attitude and acts of administrators do not reflect a spirit of respect and consideration for the citizens or a desire to serve the common citizen in accordance with the law and the policies of the government. The civil servants, are not easily accessible to the people, despite the latter being claimed as their masters, owe no responsibility to them and consider themselves as bosses and masters of the people.

Administration has unfortunately acquired a very poor image in the eyes of the citizens for their apathy, indifference and the callousness to the people's interests, discourtesy shown to them, intentional delays in the disposal of their work, discriminatory dealings, favours to those having political backing or other approaches and contacts, and last but not the least, corruption which has become a universal phenomenon.

It is equally distressing that citizens, on their part are also lacking in the discharge of their duties as good citizens. They do not cooperate with the administration and lend their wholehearted support in minimising if not eradicating the evils from which our polity and society suffer. Certain citizens hesitate to expose the anti-social elements, black marketers, profiteers, criminals etc. and provide shelter to saboteurs, smugglers and terrorists who constitute a great threat and danger to the lives and properties of the people and safety, security and integrity of the country. The citizens usually resort to strikes, protests, demonstrations, gheraoes, etc. in order to get their demands conceded by the administration, causing incalculable hardships and inconvenience to the public at large, sometimes paralysing the operations of public services as do the strikes by postmen, pilots, bus operators, railway men, telecommunication personnel, nurses etc.

There is urgent need of development of harmonious, constructive and cooperative relationship between the administration and citizens for their mutual benefits and in the best interests of our nation.

In order to remove any misgivings in the minds of citizens, administration should be transparent, open, responsible, accountable and responsive. Civil servants should change their attitude so as to be trusted as real public servants and not masters of the people. They should make all efforts to improve their image of being promoters and facilitators and not controllers and regulators.

Administration should secure citizens' participation in the conduct of its affairs. Broadly speaking the word 'participation' is used to refer to the role of members of general public, as distinguished from that of appointed officials including civil servants in influencing the activities of the government or in providing directly for community needs. It may occur at any level—from the village to the country as a whole. It may be only advisory as in the case of an advisory committee to a minister, provincial government or head of a hospital, it may involve decision making as in the case of governing bodies of local authorities, and it may extend to actual implementation as occurs when village/town dwellers decide to carry out a community self-help project.

Government and administrations are conscious of the value of the involvement of citizens in policy making, planning and their implementations as that ensures their willing cooperation in the tasks concerned. That is evident from the provisions of 73rd and 74th Constitutional Amendment Acts whereby District Planning Boards have been constituted including citizens representations for planning various



programmes for the development of urban and rural areas and the empowerment of Panchayati Raj Institutions to implement their respective programmes for the development and welfare of their population.

In order to win out the support of citizens and their active support administration should ensure speedy and economic dispatch of public business, avoidance of harassment to the people, treatment with respect and courtesy to the visitors to offices, simplicity and clarity of forms and procedures, cutting down steps in processing of cases, time bound disposal of cases, availability of services at one place instead of multiple stages, elimination of graft, kickbacks, hush money etc. Multinational companies have complained that the decision-making process in India is dilatory, time consuming and corrupt. The above mentioned suggestions will go a long way in ensuring better relationships between administration and citizens.

Despite all this, citizens will be harbouring some sort of grievances of unfair treatment, harassments, injustice, etc. It is, therefore, desirable and necessary that there should be proper means and methods, machinery, agencies and institutions for their grievance redressal.

## REDRESSAL OF CITIZEN'S GRIEVANCES

The goal of the government in the civil society, particularly in democracy, is the happiness and welfare of its people. However, at cutting edge of administration, the common man is being harassed and deprived of the services for which he is entitled. The problem of public administration is how to make the official at the lowest rung of hierarchy, responsive, sympathetic, sober and courteous in dealing with the citizens. The citizens generally feel agitated and want to ventilate their grievances against the officials and government agencies.

The Chambers Dictionary defines, grievances as a 'ground of complaint, a condition felt to be oppressive or wrongful.' A grievance may arise as a complaint against some action or decision taken by the government or any other agency. The causes of grievances are mostly corruption, indifference, incompetence and insensitiveness on the part of government servants. The grievances of citizens are of two types: general grievances and individual grievances. General grievances are against the government, its acts and policies and may be common to all or any section of the community. Shortage of food, rise in prices, over-crowding in transport services, late running of trains are instances of such grievances which do exist and find expression in widespread disturbances that occur from time to time.<sup>10</sup> Individual grievances are those which the citizens face as individuals, on account of any omission or act of the government. We are concerned here with individual grievances. The citizen today, due to rule of law and democracy expects the public servant to be impartial, honest, responsive, fair and competent, in the performance of his or her official duties.

## Existing Arrangements for the Redress of Grievances

The redressal of grievances of citizens is not an easy task. The traditional apparatus for their removal is legislative, judicial, and administrative authorities. But all these instruments of control have not proved effective. The legislative instrument is more suited for the consideration of matters of large public importance than for the redressal of citizens' grievances arising due to day-to-day administration. Justice through judicial instrument in India is very expensive, dilatory and inconvenient. Therefore, citizens do not approach courts for justice as their first recourse; they find it cheaper and less humiliating to suffer wrongs than approach the courts. Likewise, various administrative arrangements made in the departments of government have not satisfied the citizens. The Administrative Reforms Commission (ARC) pointed out that



Nor have the various administrative tiers and hierarchies proved adequate for the purpose. A tendency to uphold the man on the spot, a casual approach to one's own responsibilities, and an assumption of unquestionable superiority of the administration, a feeling of sanctity of authority and neglect or indifference on the part of superior authority may prevent a citizen from obtaining justice even at the final stage of the administrative system.<sup>11</sup>

After Independence, several steps have been taken to enhance integrity and capacity of administration. The prevention of Corruption Act 1947 was amended in 1955 to check corrupt practices in administration. A number of commissions and committees were also set up to enquire into the evil of corruption and suggest ways to eradicate it. For example, the Railway Corruption Inquiry Committee (popularly known as the Kriplani Committee) 1953, the Vivian Bose Commission (1956), the Justice Chagla Commission (1958) to enquire into the affairs of LIC, the establishment of vigilance division and vigilance units in ministries/departments in 1955, creation of O&M Division in the Home Ministry in 1954. In 1962, Government of India appointed the Committee on Prevention of Corruption (popularly known as Santhanam Committee) and on its recommendation established the Central Vigilance Commission in 1964. A number of ad hoc commissions of enquiry were appointed to inquire into the charges of corruption and abuse of power: the Das Commission of Enquiry, Punjab (1963) to enquire into the charges of corruption against the then Chief Minister of Punjab, Sardar Partap Singh Kairon; the Mudhorkar Commission of Enquiry (1968) against ex-United Front Ministry of Bihar; Jaswant Singh Commission to enquire into the charges of corruption against Bhajan Lal, the Chief Minister of Haryana, and a host of other such commissions were appointed to look into the charges of corruption against state chief ministers. Thus, more than 200 commissions were appointed but they could not solve the problem and an ordinary citizen cannot hope to get his or her grievance relating to small problems redressed through this method.

The states have also created agencies to deal with corruption, such as the Anti-Corruption Department, District Public Grievance Committees, the Commissioner for Inquiry, O&M units in the secretariats along with some other agencies. The most important step was appointment of Vigilance Commission in most of the states in 1964 on the pattern of Central Vigilance Commission.

Therefore, for effective solution of the problem the ombudsman type institution demand by eminent public men and jurists. This matter was considered by the ARC in detail and it pointed out in 1966 itself, 'we are of the view that special circumstances relating to our country can be fully met by providing for two institutions for the redressal of citizens' grievances. There should be one authority dealing with complaints against the administrative acts of ministers or Secretaries to government at the centre and in the states. There should be another authority in each state and at the centre for dealing with complaints against the administrative acts of other officials. All these authorities should be independent of the executive as well as the legislature and judiciary (GoI 1966: 18).<sup>12</sup> The first one was to be called the Lokpal and the second one Lokayukta.

The Government of India accepted the recommendation of ARC and as a result Lokpal and Lokayukta Bill for the first time were introduced in the Parliament on May 9, 1968.

## Lokpal

The ARC interim report (1966) titled 'Problems of Redressal of Citizens Grievances' recommended the establishment of the 'Lokpal' and 'Lokayukta', 'the office of Ombudsman'. 'Ombudsman' is a Scandinavian institution first established in 1809 in Sweden to investigate into the cases of injustice, corruption and

favouritism. In India, no less than five attempts have been made in 1968, 1971, 1977, 1985 and 1990 to have the Lokpal Bill passed by the Parliament. But it could not be enacted either because Parliament was dissolved or the Bill just lapsed. The 1985 Bill did not die as the others but was killed through withdrawal. Lapses after lapses took place to fulfil the election promises to introduce it, and administrative tendencies to abort it.

The government did introduce the promised Bill, the Lokpal Bill 1996 in Parliament on 13 September 1996. This Bill is also bogged down in controversy over a variety of contradictions.

## Jurisdiction of Lokpal

The Lokpal Bill proposes to cover the prime minister and members of Parliament, present and past ministers, and inquire into complaints against them. The MPs and ministers will have to periodically disclose their assets to the Lokpal. The basic assumption of the Bill is that persons in high places should be accountable to the people and there should be an independent machinery to investigate charges against them.

The Lokpal will be a three member institution like the Election Commission. The chairman and the two members are to be appointed by the government in consultation with a seven member committee. The members of this committee would be the prime minister, the speaker of the Lok Sabha, the home minister, the minister of personnel, the vice-president and the leader of the opposition of both Houses. The irony of such a committee is that it consists of the very persons that the Lokpal is supposed to investigate, but also clearly controlled by the government and is hardly likely to proceed boldly against powerful politicians.<sup>13</sup>

## Procedure of Working

The Bill mentions how the Lokpal will work. The Lokpal has been prohibited under section 33(b) from acting *suo moto*, which says that the Lokpal is not to make any inquiry upon its own knowledge or information. According to Section 11 of the 1996 Bill, the Lokpal can act only on the basis of complaint of a person, in a prescribed form, accompanied by an affidavit in support of the allegations and the complainant has also to pay the prescribed fee. All this has perhaps been made obligatory to discourage frivolous complaints or to have lesser complaints due to difficult process to be followed in such cases.

The Lokpal has not been given its own independent investigating agency. He has to depend upon the official investigating agencies like CBI, whose services he can borrow with their 'concurrence' as mentioned in the Bill. This kind of arrangement will create hindrances in the satisfactory working of the Lokpal, because it requires a good deal of power, authority to get work done by other investigating agencies. Even the Supreme Court's constant direction to CBI to expedite the investigation in sensitive cases has little impact. In such situation the work of Lokpal will be hampered without its own investigating machinery.

## Weaknesses of the Bill

There are many weaknesses in the present bill, first under section 24(2) of the Bill, if the complainant fails to prove the allegations, he or she is liable to imprisonment for a term of 'not less than one year and which may extend to three years' and also to a fine up to Rs 50,000. Second, the Lokpal's enquiry has to be in camera and premature publicity or disclosing the identity of the person against whom the inquiry is in progress is punishable by the Lokpal. The punishment may be up to six months' imprisonment and a fine up to Rs 10,000. But the Lokpal has no power to inflict punishment on the person against whom the complaint is made and charges against whom are *prima facie* proved. The Lokpal can only 'communi-

cate its findings and recommendations' to the 'competent authority' for action. The prime minister is the competent authority for all ministers and the Lok Sabha for prime minister. Lokpal has not been given any powers to suggest or recommend punishment to be imposed. The only obligation placed upon the competent authorities is to report to the Lokpal what follow-up action has been taken, but it has not been given any power to direct punishment against aberrant 'public functionary'. It is surprising that the Bill seems more directed at creating a scare among the complainants against the 'public functionaries', rather than providing them with a weapon to seek relief for themselves.<sup>14</sup> Thus, the Lokpal will prove to be a safety valve to the government in answering to the public criticism by saying that the accusers are free to approach the Lokpal and 'he would be a crusader without a sword.'<sup>15</sup> Third, the Lokpal has been conferred powers under Section 14 of the Bill to stay any criminal case 'till the completion of such inquiry ... the investigation shall remain deferred.' Further, even if a complaint filed by a third person concerning the same matter and the Lokpal holds that the allegations against the public functionary are not established, the findings will not only lead to the dismissal of the complaint before him, but also a bar on his or her conviction and trial on these facts by courts. The critics of this provision say that it has been incorporated to save the politicians who are involved in various scams. They say now someone will move the Lokpal, that will make possible for tainted politician to secure a stay of criminal proceedings going against him/her in courts and if luckily he succeeds in obtaining an opinion from the Lokpal that allegations against him are unsustainable, the criminal case will get dissolved. The arrangement and the way it will work can be manoeuvred by legal craftsmanship to make anti-corruption law against political persons a farce. This Bill will simply become yet another cover for politicians to do evil things and get away under the cover of the Lokpal.

To make the institution of Lokpal really effective for which it was conceived, the improvements of the Lokpal scheme may be on the following lines:

(a) The Lokpal should be accorded constitutional status. Parliamentary law is liable to frequent changes, as it was done in Orissa when Biju Patnaik was Chief Minister. He got rid of an inconvenient Lokayukta by repealing the law. Rajendar Kaur Bhattal Chief Minister of Punjab, also made Lokpal Justice S. S. Sodhi quit his office by replacing Lokpal Act by an ordinance providing for a three member institution of Lokpal.

(b) The Lokpal should be empowered to cancel wrong orders and provide suitable relief to aggrieved parties subject to appeal to the Supreme Court only.

(c) It should have powers to initiate enquiry *suo motto* against any person on getting information from any source;

(d) Lokpal should receive criminal complaints and should be able to get them investigated by its own investigating agency, making only such supportive uses of official agencies like CBI as it may consider necessary.

(e) It should be able to impose damages, launch criminal prosecution through its own agencies in designated special courts in case of persons held *prima facie* guilty.<sup>16</sup>

In addition to all these, all enquiries should be open unless the Lokpal decides to have it in camera. A complaint neither should be in any prescribed form nor accompanied by any affidavit but may be on payment of a prescribed fee to discourage frivolous complaints. If a complaint is found false and malicious, the complainant should be suitably fined by the Lokpal and punishment need not be awarded. The person

falsely implicated could take defamatory legal action against the complainant. Unless such changes are made in the Lokpal scheme, it may prove to be failure under the prevailing political culture and low ethics.

## Lokayukta

Though, at central level no institution of Lokpal or Lokayukta has yet been established but at state level many states, namely Maharashtra, Rajasthan, MP, Karnataka, Bihar, HP, Punjab, have appointed Lokayuktas on the lines suggested by the ARC to deal with the problems of public grievances.

The problem of redressal of people's grievances cannot be solved by high powered bodies like Lokpal and Lokayukta situated at capital headquarters away from the public. The citizens' grievances mostly concern the 'cutting edge' of administration mostly at district level and below the point of contact between the citizen and the administration. The remedy lies in decentralisation of administration to make it accountable to the people. The second remedy is the organisation of various interests of consumers or of various functional groups to look after their own particular interests. The farmer's lobby, chambers of commerce, the labour organisations and consumers organisations are examples of such organisations. The organisations of government servants, teachers, students, etc. do compel the government to agree to their demands. As a result, the unorganised people suffer and their grievances mostly remain unsolved.

## Consumer Protection as Removal of Public Grievances

Recently under the Consumer Protection Act 1986, Central Consumer Protection Council, the State Consumer Protection Councils and the District Forums have been set up for redressal of public grievances.

## Consumer Protection Machinery in India

The Consumer Protection Act envisages the setting up of the Consumer Protection Council at the centre, namely the Central Consumer Protection Council and in all states, the State Consumer Protection Councils. The objects of the councils shall be to promote and protect the rights of the consumers.

## Central Consumer Protection Council

The central government has made the consumer protection Rules 1987 which came into force on 15 April 1987. The notification concerning the central council was issued on 1 June 1987. Composition of the central council shall be as follows:

The central council shall consist of the following 150 members:

- (a) The minister-in-charge of consumer affairs in central government shall be the chairman of the council.
- (b) The minister of state (where he is not holding independent charge) or deputy minister in-charge of consumer affairs in the central government shall be the vice-chairman of the central council.
- (c) The Minister of Food and Civil Supplies or minister-in-charge of consumer affairs in states.
- (d) Eight members of Parliament, five from the Lok Sabha and three from the Rajya Sabha.
- (e) The Secretary of the National Commission for Scheduled Castes and Scheduled Tribes.

- (f) Representatives of the central government departments and autonomous organisations concerned with consumer interests not exceeding twenty.
- (g) Representatives of the consumer or consumer organisation not less than 35.
- (h) Representatives of women not less than 10.
- (i) Representatives of farmers, trade and industry not more than 20.
- (j) Persons capable of representing consumer interests not specified above, not exceeding 15.
- (k) The Secretary in the Department of Civil Supplies shall be the Member-Secretary of the Central Council.

The chairman of the central council shall be the minister-in-charge of consumer affairs in the central government; and the secretary in the department shall be the member-secretary of the central council.

The central council which has wide base and multi-sectional representation on it has to play a vital role in creating consumer awareness and in the development of a wide spread, responsive and responsible consumer movement in the country.

## Working Group

The central government is empowered to constitute from amongst its members such working groups as it may deem necessary. Every working group so constituted shall perform such functions as assigned to it by the central council. It seems that such working groups may prove to be more useful and effective in dealing with the specific problems allocated to them. The findings of such groups are required to be placed before the council for its consideration.

## Terms of the Central Council

The term of the central council shall be three years. There is no provision either under the Act or the Consumer Protection Rules 1987 as to the renewal of term of the Council. Thus, for the continuous existence of the central council it is necessary that the central government must reconstitute the council before the expiry of the term of the existing council. In view of the past experience, however, it is doubtful whether central government will be able to fulfil its legislative obligation. It will be difficult to reconstitute the whole council consisting of 150 members after every three years.

Agarwal states about the utility of the council that the term of the member other than ex-officio-members of the council shall be three years and not the terms of the council consequently. The members may keep on changing on the expiry of their terms but the council will always remain in existence to protect the interests of the consumers.<sup>17</sup>

## Meetings

The central council shall meet as and when necessary, but at least one meeting of the council shall be held every year.

The central council shall meet at such time and place as the chairman may think fit and shall observe such procedure in regard to the transaction of its business as may be prescribed.

## Objectives of the Central Council

The objectives of the central council are as follows:

Central council shall be to promote and protect the rights of the consumers such as:

- (a) The right to be protected against marketing of goods which are hazardous to life and property.
- (b) The right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practice.
- (c) The right to be assured wherever possible access to a variety of goods at competitive prices.
- (d) The right to be heard and to be assured that consumer interests will receive due consideration at appropriate forums.
- (e) The right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers; and
- (f) The right to consumer education.

## The State Consumer Protection Councils

The state governments have been authorised to establish their respective state consumer protection councils. The state governments have been given a free hand to have such members of the council as they deem necessary. Various state governments have constituted such councils in their states.

Generally speaking, the state governments have followed the pattern similar to the central council. It is submitted that in the interest of the uniformity of working of such councils in the whole country, the state governments may adopt similar rules as are provided under the Consumer Protection Rules, 1987 by the Central Government.

## Composition

Now Section 7(2) of the Act of 1987 provides that the state council shall consist of following members:

- (a) The minister-in-charge of consumer affairs in the state government who shall be its chairman.
- (b) Such number of other officials or non-official members representing such interests as may be prescribed by the state government.

The state councils have to play a vital role in creating consumer awareness and in the development of consumer movement in their states as well as in the country.

The objectives of every state council shall be to promote and protect within the state the rights of the consumer as laid down in the main Act.

## District Forum

Each district of the state shall have a Consumer Disputes Redressal Forum known as District Forum. Each District Forum is to be established by the state government.

The state governments have laid down in their respective Consumer Protection Rules that the District Forum shall be located at the headquarter of the district.

## Powers

The District Forum shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, while trying a suit.

## Composition

Each District Forum shall consist of:

- (a) A person who is, or has been, or is qualified to be a District Judge, who shall be its President.
- (b) Two other members, who shall be persons of ability, integrity and standing and have adequate knowledge or experience of, or have shown capacity in dealing with problems relating to economics, administration and one of whom shall be a woman.

These members are appointed by the state government on the recommendation of a selection committee consisting of the following:

- (i) The President of the State Commission—Chairman.
- (ii) Secretary, Law Department of the State—Member.
- (iii) Secretary-in-charge of the Department dealing with consumer affairs in the state—Member.

Every member of the District Forum shall hold office for a term of five years or up to the age of 65 years, whichever is earlier and shall not be eligible for re-appointment. The salary or honorarium and other allowances payable to and the other terms and conditions of service of the members of the District Forum shall be such as may be decided by the state government.

The Consumer Protection Act and relevant Rules made there under contain many provisions to secure the independence of the District Forums. The terms and conditions of the services of the President and the members of the Forum cannot be varied to their disadvantage during their tenure of office. In order to ensure the impartial working of the President and the members, each of them is required, before appointment to make an undertaking that they do not, or, they shall not hold any office of profit.

It is also important to note that the procedure for the removal of the President or member prevents the state government from acting on any extraneous ground or arbitrarily.

## Jurisdiction of the District Forum

- (a) Subject to the other provisions of this Act, the District Forum shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation, if any, claimed does not exceed rupees five lakhs.
- (b) A complaint shall be instituted in a District Forum within the local limits of its jurisdiction: (i) the opposite party or each of the opposite parties where there are more than one, at the time of institution of the complaint actually or voluntarily resides or personally works for gain provided that in such case either the permission of the District Forum is given.

The Consumer Protection institutions established to remove public grievances are doing good work and as compared to other arrangements, these are nearer to the people and provide accessible justice at their doorsteps.

## REFERENCES

---

1. A. S. Rikhy, 1957, 'Question Hour in Parliament', *Article in Civic Affairs*, March.
2. C. R. Attlee, 1955, 'Civil Servants, Ministers, Parliament and Public', *Indian Journal of Public Administration*, 1(2), April–June, p. 99.
3. N. V. Gadgil, 1955, 'Accountability of Administration', *Indian Journal of Public Administration*, 1( 3), July–September, pp. 199.
4. M. N. Kaul, 1957, 'Parliamentary Procedure Since Independence', *Civic Affairs*, March, p. 14.
5. E. N. Gladen, 1953, *Essentials of Public Administration*, London: Staples Press, p. 81.
6. Felix A. Nigro, 1951, *Public Administration: Readings and Documents*, New York: Rinehart & Co. Inc., p. 439.
7. Bagehot, British Civil Service. Also refer to C. P. Bhambhri, *Bureaucracy and Politics in India*, Delhi: Vikas Publishing; and Shanti Kothari and Ramashray Roy, 1969, *Relations Between Politicians and Administrators at the District Level*, New Delhi: IIPA.
8. Herbert Morrison, 1954, *Government and Parliament*, pp. 315–19.
9. Judgement delivered on 2 February 1962.
10. Report of the Study Team of the ARC on Redress of Citizens' Grievances, Government of India, New Delhi, 1966, p. 1.
11. Report of the Study Team on Citizens' Grievances, *op. cit.*, p. 7.
12. *Ibid.*, p. 18.
13. Bindeshwar Pathak, 1997, 'Dump the Bill, Change the System', *The Hindustan Times*, New Delhi, March 23.
14. P. N. Duda, 1996, 'Many Steps Backward', *The Hindustan Times*, New Delhi, 9 December.
15. U. C. Agarwal, 1997, 'Crusade Without Sword', *The Hindustan Times*, New Delhi, 26 April.
16. *Ibid.*
17. V. K. Agarwal, *Consumer Protection Law and Prospect*, 3rd edition, Bangalore: Bharat Law House, pp. 270–71.



# Administrative Reforms

---

## INTRODUCTION

There is no denying the fact that administrative systems all over the world suffer from certain deficiencies and efforts are made by the governments concerned to bring about improvements in their structures, organisation, functions and procedures of works, so as to ensure that they are in a position to serve the people in the best possible manner. Among various faults of our administrative system the most prominent are those relating to administrative organisation and structure, delay in the disposal of business, inefficiency and lack of integrity or corruption. It is felt that the problem of reform has become increasingly complicated and so difficult that it has defied resolution. The late Prime Minister, Indira Gandhi had observed, 'what India needed was a revolution in the administrative system without which no enduring change could be brought about in any field.' Several efforts have been made to introduce changes and reforms in our administrative system. Among these are organisation and management (O&M), work study, work measurement, etc. These reforms are discussed in detail in the later sections.

## O&M

In a broad sense, it includes the study of an entire process of management, for example, planning, organising, coordinating, motivating, directing and controlling. In US phraseology, the term O&M is used in this sense. In its restricted sense, the term refers to organisation and methods, i.e., organisation of public bodies and their office procedure in order to bring about efficiency and improvement in both. The efficiency in the context of O&M work implies elimination of duplication, waste and delay by reshaping the organisation and by simplification and acceleration of procedures.

According to Milward, 'the usual functions of organisation and management are the examination of the structure of the organisation under review and the studying of administrative and clerical methods, office mechanisation and equipment, office layout and working conditions.'<sup>1</sup>

One of the important tasks of O&M work is to conduct reviews of an organisation with a view to streamlining it. However, O&M work is confined to improving only the internal structure of the unit concerned. By tradition, the work of reorganising the structure at a higher level is not within the purview of the O&M unit. In regard to methods, the O&M units are expected to carry out reviews of procedures and systems of doing work in order to improve them, and in doing so they adopt the techniques like work simplification and work measurement.

However, the above interpretation of the term O&M is too limited. The term is also often used for 'management improvement'. In this case the term O&M ceases to be mere technique and becomes a function for improving administration.

Paul H. Appleby, while recommending setting up O&M for the Government of India, envisaged a significant role for the O&M unit. He defined O&M in the following way:

I recommend that the Government of India give consideration to the establishment of a central office charged with responsibility for giving both extensive and intensive leadership in respect to structure, management and procedures. At one level of highly technical and scientific sort, it would give attention to work, measurement, work flow, office management, filing systems, space arrangements and the like, at another level it would be charged with general governmental structural studies and proposals. I should hope that at this level also it would have a charter of responsibility for the enhancement of democratic manner and method, within the bureaucracy and the public.<sup>2</sup>

## Nature of O&M

O&M is not a substitute for all round management. O&M unit alone is not responsible for effecting improvement in administration. The work of O&M unit is also a part of the entire governmental effort at improvement. Paul H. Appleby maintains,

Efficiency specialists have an important place in government but no efficiency engineer will ever solve the principal problems of government. Other specialists can make important contributions to the general improvement of government but those specialists will be social scientists and efficiency engineers....The principal problems of government are to be solved relatively and progressively, by the combined efforts of scholars, specialists, administrators, politicians and the public.<sup>3</sup>

O&M functions should be taken as a service to governmental ministries and offices and not as an imposition from above. According to a report, O&M is a service function. The O&M units have to play advisory role. The O&M work should be taken as work improvement study and not a fault finding mission.

## Evolution of O&M

The origin of O&M technique may be traced back to the 18th century. It had its beginnings mainly in the field of industry and business where it was employed to enhance production and increase profit. The technique entered the field of governmental administration much later in the closing decade of the 19th

century. One of the distinguished scholars among the protagonists of the technique was George Zincke. His famous work *Cameralist Theory* is a fine and voluminous treatise on the principles and procedures of political economy, fiscal science and public administration. The word 'Cameralists' means those who possess fundamental and special knowledge about all or some particular part of those things which are necessary in order that they may assist the state in maintaining good management.

The scientific management movement propounded by F. W. Taylor was also responsible for considering the applicability and utility of O&M technique in government.

In the UK, O&M was introduced after the First World War, while in the USA, the Federal Government set up a Bureau of Efficiency in 1913 for doing O&M work. In India the central government set up O&M division in 1954, consequent to the recommendations of A. D. Gorwala and Paul H. Appleby.

## Functions of O&M

The purpose of O&M office is to assist line officials to improve management. O&M work includes help to reduce costs, save manpower, simplify procedures, save materials, speed operations and improve organisation. Following are the functions of O&M:

**Research and development:** The primary task of O&M is to consider and develop new ideas for administrative systems relating to functions like organising, staffing, budgeting, accounting, delegation, coordination, supervision etc.; the use of techniques like work management, work simplification, statistical method and quality control; and the improvement of office management by the use of office machines, better layout, sound records management, and good system of standards, measurement and cost control.

**Training:** Training of personnel in O&M techniques should occupy a high place in any O&M organisation.

**Investigation:** The central office is concerned with carrying out of investigation necessitating a broader and more specialised knowledge that can be provided locally.

**Information:** The O&M office serves as a clearing house of information regarding the O&M work done at all levels of government. It collects all vital and relevant information, builds up a library and makes available information to those who require it.

**Coordination:** The O&M office is also concerned with bringing about coordination.

**Publication:** It publishes guides, manuals, research materials, handbooks, bulletins, periodicals and other literature concerning both the theory and practices of O&M.

The chief functions of a central O&M unit may be enumerated as:

Comprehensive reviews of departments; planning new activities; research in O&M techniques; training of O&M officials; coordinating the work of O&M units in government; studying problems of common interest to different organisations of government; undertaking ad hoc assignments to investigate and help solve particular problems; analysing organisation methods and procedures; developing management policies; creating literature and guidelines for supervisors; and acting as a sort of clearing house for all material and information relating to O&M work.

## ADVANTAGES AND DISADVANTAGES OF O&M

### Advantages

O&M is an endeavour to find out better ways of carrying out tasks. The main advantages of O&M are:

**A device to improve administration:** The first advantage of having O&M unit is that it provides machinery for a constant attempt to improve the administration.

**Making structure and procedure adaptable:** The second advantage is that the O&M by providing machinery for frequent review of government organisation and methods helps to keep both the structure of government offices and the procedures adopted by them up to date.

**Reservoir of experience:** O&M units by functioning as centres of management help to accumulate a wealth of experience which can be drawn upon whenever required in relation with official or institutional problems pertaining to organisation and management.

### Disadvantages

**O&M becomes a fault finder:** If the O&M personnel behave as critics and fault finders, instead of acting as staff agencies to the line agency, the very purpose of it stands defeated.

**Usurpers of line functions:** The O&M personnel sometimes may overstep their role of advisors. They encroach upon the powers of administrators and managers.

**Aura of technicality:** The O&M men retain an aura of technicality. The more technical their work becomes, the farther they drift away from the operational heads. This makes them less useful for the organisation.

## WORK STUDY: A TOOL OF ADMINISTRATIVE IMPROVEMENT

### Work Study

Work study refers to the application of detailed analysis of work to achieve satisfactory results. Its objective is to find out simpler, easier, more effective and economical ways of work accomplishment. However, such ways can only be found through systematic methods and a scientific approach.

In this restricted sense, the term 'work study' refers to a systematic and rational technique of analysing work. The term defines the techniques of method-study and work-measurement which are employed to ensure the best possible use of human and material resources in carrying out a specified activity.<sup>4</sup> Work study includes techniques of method study and work measurement. Method study aims at improving methods of work resulting in more effective use of staff, equipment, stationery, space, etc. Work measurement is concerned with the work content. It assesses human effectiveness. It involves measurement of the time required in the performance of work to determine manpower needs.

In its wider sense, work study includes all systematic activities concerned with the investigation, recording, measurement and improvement of work. In this sense, work study covers all aspects of work having a bearing on utilisation of available resources, and may include such studies as organisation analysis, method study, work measurement, work simplification etc.

A typical work study involves three main elements: method study, work measurement and organisation analysis.

## Method Study

The International Labour Organisation (ILO) defines method study as 'the systematic recording, analysis and critical examination of existing and proposed way of doing work and development and application of easier and more productive methods.' Method study is undertaken to improve methods not only in individual operations but also in processes, procedures and systems. It is essentially concerned with finding better ways of doing things and it contributes to improved efficiency by getting rid of unnecessary work, avoidable delays and other forms of waste. This is achieved through improvement of procedures and systems; improvement of layout of work, design and equipment; economy in human effort and reduction of unnecessary fatigue and stress; improvement in the use of materials, machines and manpower; and development of better working equipment.

Method study has the following three components: (a) To reveal and analyse true facts concerning the situation; (b) to examine these facts; and (c) to develop from such examination the best answer possible under the circumstances.

The procedure involves the following important steps:

**Selection of Problems:** It is not necessary to cover all the procedures for study. Care should be taken to select only such problems whose investigation yield results.

**Recording of facts:** Accuracy with which facts are recorded is the success of the whole technique. In fact, facts form the basis for examination and development of improved methods.

**Examination:** Critical examination of the recorded facts of the existing or proposed method is the crux of the technique. The following points must be borne in mind in the process of examination:

- (a) Facts must be examined as they are, not as they appear to be, or should be or said to be;
- (b) Preconceived ideas, which often colour the interpretation of facts, should have no place;
- (c) All aspects of the problems must be approached with a challenging and questioning attitude;
- (d) Hasty judgements must be avoided.
- (e) Details must be given constant and close attention; and
- (f) New Methods should not be considered until all the undesirable features of the existing methods have been exposed by systematic examination.

Each activity is subjected to examination in the following sequence:

- (a) **Purpose:** What is done? Why is it done? What else should be done? What should be done?
- (b) **Place:** Where is it done? Why is it done there? Where else could it be done? Where should it be done?
- (c) **Time:** When is it done and how long does it take? Why is it done then? When else might it be done?
- (d) **Person:** Who does it? Why that person? Who else should do it? Who should do it?
- (e) **Method:** How is it done? Why is it done in that way? How else might it be done? How should it be done?
- (f) **Reason:** Why is it necessary? What better substitutes would improve the procedure?

## Work Measurement

Work measurement, according to the ILO, is the application of techniques designed to accomplish the work content of a specific task by determining the time required for carrying it out at a defined standard of performance by a qualified worker. Work Measurement is also sometimes referred to as performance evaluation or performance analysis or even performance audit.

## Objectives

The following are the objectives of work measurement: (a) better internal control of work scheduling and individual assignments; (b) effective budgeting, forecasting and allocation of expenses; (c) laying basis for method simplification, organisation charges and providing useful data for future action; and (d) helping in framing realistic and fair incentive schemes.

## Advantage of Work Measurement

The following are the more important advantages of work measurement: (a) the replacement of ad hoc standard of performance with more rational standards; (b) adequate matching of the load of work with manpower needed for efficient disposal; (c) matching of the type of the personnel needed for the performance of work with the intrinsic worth of the work performed; and (d) evolution of a readily unidentifiable measure of performance and facilitating of revisions in staff strength.

## Units of Measurement

There are two units of measurement, the work unit and the time unit. The selection of work unit is influenced by the particular level of work to be measured. The levels most frequently used are the activity, the process and the operation step. Measures of work units may be expressed as ratios between output and time spent. Ratios may be expressed in terms of time taken for the production of one work unit or a fixed quantity of work units, or they may be expressed in terms of a total output for a time unit, such as, work units per hour, per day, etc.

## Techniques

The techniques of work measurement fall under the following three main types:

**Empirical estimation method:** Measurement standards under this method are usually based on general observation, trial and error, experience, and the combined judgements of supervisors, operators and analysts. Advantages of this method lie in the absence of elaborate analytical techniques, relative speed in judging and low costs of measurement. On the other hand doubtful reliability, unknown degree of accuracy and difficulties in not having facts to resolve disagreements about the proposed standards are some of the disadvantages.

**Work sampling method:** Work sampling method is a statistical method. It is also called activity sampling which uses sampling in place of long and continuous observations of the work being measured. According to this method a sample can produce a sufficiently high degree of accuracy for measurement purposes if the sample is representative of the actual total work time and is taken according to correct

techniques. Work sampling involves the study of characteristics of work activities to see how time of workers is distributed. The aim of work sampling is to see how total work effort is distributed.

**Time-study method:** This method is applied to routine, repetitive and large volume production operations where the labour cost is a significant portion of unit production cost. The method requires trained technicians and involves a considerable amount of work time and cost. The method is not desirable for less standardised work as it is too costly for the benefits to be obtained.

## Organisation Analysis

Organisation analysis is must to keep an organisation in good shape. The most effective organisation would be one which achieves maximum performance with minimum cost in terms of its human and material resources.

**Purpose:** The purpose of organisation analysis is to see whether an organisation has got far-sighted planning and clear objectives, a sound plan of organisation, fully qualified personnel in all key positions and effective means of control. In brief, although, organisation surveys deal with physical structure of the organisation and particularly with the administration and functional relationships between its parts, much of the survey work must also deal with other considerations, such as, work activity, work volume, quality of personnel, physical facilities and other operational factors which influence the structure. The inter-relationship of method study, work measurement and organisation analysis should be kept in mind. The need for an organisation analysis arises for one or more of the following reasons:

- Creation of a new activity and its assignment to a new agency
- Expansion in the functions and activities of an organisation
- Changes in the nature of work processes and procedures
- Budgetary actions which result in staff reduction or addition
- Efforts to prevent or correct delays, losses, breakdowns etc
- Improvement of existing structure

**Method:** The method or procedure made use of for general administrative survey work is applicable to organisation analysis. However, complete and accurate information about the following factors would be essential: the purpose of the organisation; its functions and activities; its external work relationships, formal and informal, legal, social, political and other economic considerations; historical developments and personalities; lines of authority; assignment of duties and responsibilities and number and kinds officers and employees; flow of main process; work volume; and measure of cost and utility of service.

**Tools:** The tools of organisation analysis are: Organisation planning, organisation charts, job specification, control planning, organisation manual, duty lists, diagrams, procedural charts, periodic review of organisation practice, organisation training etc. Of course, organisation charts are perhaps the most important. Some of the basic information is best obtained and displayed in different forms of organisation charts. Charts may show individually or in various combinations such as basic organisation structure and flow of communication and authority; responsibilities assigned to units and individuals; line and staff relationship; identification of component units and posts; and actual incumbents; number of personnel; present and, or proposed structure, grade and salary data.

**Tools of analysis:** The success of work study depends much on the accuracy achieved in recording basic facts about existing procedures. The following are the useful tools of analysis: duty list; activity list; job description sheet; job distribution chart; and process charts.

## Administrative Reforms: Procedure and Obstacles

The term 'administrative reform' is used in common parlance interchangeably with 'administrative change' and 'administrative reorganisation', but these terms differ from one another. Reforms mean eradication of abuses in the existing system. 'Reorganisation' means reconstructing of the existing system as warranted by emerging needs and demands. 'Change' stands for any type of renovation to suit the ideological or socio-economic environment. To some modern advocates, administrative reform is synonymous with the rationalising process that commenced with the bureaucratic revolution. Gerald E. Caiden has defined administrative reform as 'the artificial inducement of administrative transformation against resistance.'<sup>5</sup>

Administrative reform as viewed from political angle refers to power politics in action; it contains ideological rationalisation, fights for control of areas, services, and people, political participants and institutions, power drives, campaign strategies and obstructive tactics, compromises and concessions. Similarly one could describe administrative reform as an economic process (re-distribution of resources) and the alteration of end products or a psychological process (the alteration behaviour patterns, beliefs, attitudes, and individual actions).

The term 'administrative reform' applies to improvements in executive machinery ranging all the way from fundamental realignments in the structure of the government, to relatively minor changes in the methods of carrying on work within a department or ministry. It must promote openness, accountability, decentralisation, public ethics, citizen satisfaction in public administration, recognised administrative ideas.<sup>6</sup> Administrative reform itself in an evaluative concept and not all sorts of changes are administrative reforms.

## Need for Administrative Reforms

The rapid technological progress and advances in industrialisation, the changes in the status of countries previously under the control of foreign governments, and the growth in the number and complexity of governmental activities have imposed extraordinary strains on the traditional machinery of government in every part of the world. The result has been a rising concern with ways and means of modernising public administration and raising its effectiveness to a level capable of meeting current and prospective demands and aspirations of the people.

Administration has to be clean and efficient. There should be a speedier implementation of the programmes of socioeconomic development. The quality of public services should be improved. There should be more efficient management of public sector enterprises. The morale of public services should be improved and in the end there should be more effective programmes of training. All this needs revamping and restructuring of government machinery and changes, alterations and modifications of the administrative system, and reforms in the administrative procedures, techniques and skills so as to make administration people and result-oriented.



## Administrative Reforms: Indian Experience

India inherited the British colonial administration setup, which was found advantageous for the new nation, and therefore, it was not scrapped but was reshaped and remolded to meet the needs of secular, independent, democratic Republic of India. The administration in India has to be an instrument of secular democracy based on adult franchise and welfare and development state devoted to rapid economic development and social change for betterment of the lives of the people. Thus the concepts, democracy and development, indeed required major changes in the administrative system. Democracy necessitated that administration would be accountable to the elected representative of the people who would form the government and that government including administration would be responsive to the needs of the population. Thus, administration was to be for the people and not vice-versa. Now with the extension of democracy to local levels after 73rd and 74th Constitutional Amendment Acts of 1992, similar changes were envisaged at the local level also. The emphasis on development led to the establishment of 'welfare state'. Planned economic development meant that state would play a leading role in economic and social change. Thus, administration had to be made capable to handle planned development in the spheres of economic and social life.

The transition from the colonial administration to the democratic administration was not easy. Some of the most glaring defects of the existing administrative system are: (a) faults in administrative organisation and structure, (b) delay in the dispatch of business (c) inefficiency; (d) lack of integrity or corruption; (e) diffusion of responsibility and the plethora of consultation before the decision is reached accompanied by a general lack of follow-up and implementation; (f) strains in the relationship between ministers and civil servants, there has been constant interference in administration right from the top to the lowest level. Therefore, the civil servants are fast losing self-confidence and sense of responsibility.

The question of administrative reforms has engaged the attention of the Government of India, state governments, statesmen and administrators. Therefore, various attempts for reforming the administrative system have been made after Independence.

The central government, since 1947, has appointed about 30 committees/ commissions to suggest administrative reforms as listed below:

1. Report on the Reorganisation of Central government (Chairman, Richard Tottenham), 1946, (This report is significant in understanding Independent India's public administration, hence its enumeration here).
2. The Secretariat Reorganisation Committee (Girija Shankar Bajpai, 1947).
3. The Central Pay Commission (Srinivas Varadachariar), 1947.
4. The Economy Committee (Kasturbai Lal Bhai) 1948.
5. Report of Reorganisation of the Machinery of Government (N. Gopalaswami Ayyangar), 1949.
6. Report of Public Administration (A. D. Gorwala), 1951.
7. Report on the Efficient Conduct of State Enterprise (A. D. Gorwala), 1951.
8. The Machinery of Government—Improvement of Efficiency (R. A. Gopalaswami), 1952.
9. Public Administration in India—Report of a Survey (Paul H. Appleby), 1953.
10. The Railway Corruption Enquiry Committee (K. J. B. Kriplani), 1955.
11. Notes on Changes Necessary in System of Budgetary and Financial Control (Ashok Chanda), 1956.
12. Re-examination of India's Administrative System with special reference to Administration of Government's Industrial and Commercial Enterprises (Paul H. Appleby), 1956.

13. The Public Services (Qualifications for Recruitment) Committee (A. Ramaswami Mudaliar), 1956.
14. The Balwant Rai Mehta Committee on Community Projects and National Extension Service, 1957.
15. The Second Pay Commission (Jaganadha Das), 1959.
16. The Staff Welfare Review Committee (Fateh Singh), 1961.
17. Report on Indian and State Administrative Services and Problems of District Administration (V. T. Krishnamachari), 1962.
18. The Committee on Prevention of Corruption (K. Santhanam), 1964.
19. The Administrative Reforms Commission (Chairman: Morarji Desai), later K. Hanumanthaiya, 1966–70.
20. The Third Central Pay Commission (Raghubar Dayal), 1973.
21. The Committee on Recruitment Policy and Selection Method (D.S. Kothari), 1976.
22. The Ashok Mehta Committee on Panchayati Raj Institution, 1977.
23. The National Police Commission, 1977.
24. The Economic Administration Reforms Commission (Chairman: L. K. Jha), 1981–85.
25. The Fourth Central Pay Commission Report, 1983.
26. Sarkaria Commission on Centre–State Relations, 1983.
27. The Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes (CASRD) (Chairman G. V. K. Rao), 1985–88.
28. The Committee to Review the Scheme of Civil Services Examinations (Satish Chandra), 1988–89.
29. Dr. Raja J. Chelliah Committee on the Tax Reforms, 1991–92.
30. The Fifth Pay Commission Report, 9 April 1994–January 30, 1997.

The attempts for administrative reforms in our country can be divided into the following periods:

- First phase (1947–64): A period of Institution building, till the death of India's first Prime Minister Jawaharlal Nehru.
- Second phase (1965–76): A period of comprehensive reforms till the Congress ruled at the centre.
- Third phase (1977–90): A period of new ideas and reforms.
- Fourth phase (1990 onwards): A period of privatisation and decentralisation.

## First Phase (1947–64)

In July 1947 a Secretariat Reorganisation Committee was appointed to study its staff requirement. The government set up in 1948 the Economy Committee to review the increase in the civil expenditure of the central government since 1938–39 and to make recommendation for the promotion of true economy in the administration by the elimination of unnecessary wasteful or extravagant expenditure, under the chairmanship of Kasturbhai Lalbhai, a prominent industrialist. It was followed by the Government of India Reorganisation of Machinery of Government Report in 1949 by N. Gopalaswami Ayyangar. His major recommendations were on the grouping of central governmental ministries into four bureaus: to secure 'coordination of policy and planning, the establishment of a common financial advisory organisation and a common central administrative office for the efficient performance of common services and administrative coordination. Administrative innovations devised by Ayyangar were perhaps far ahead of the time, however, the Ministry of Economic and Defence Coordination was a belated vindication of Ayyangar's rationalism and foresight. The O&M division originally suggested by Ayyangar, was also set up in 1954.

The Planning Commission, set up in March 1950, asked A. D. Gorwala, a retired administrator, in July 1951, to assess how far the existing administrative machinery and methods were adequate to meet the requirements of planned development. Gorwala's report served as the basis for the formulation of certain important proposals for the reform of administration, which were later included in the First Five Year Plan.

The two reports by Paul H. Appleby, submitted in 1953 and 1956 to the Government of India, had a significant influence on thinking about administrative reforms in government circles as well as the educated public. His first report *Public Administration in India: Report of a Survey*, dealt more with changes in the basis, principles and concepts, including the Indian administrative organisation and practice and less with the details of the administration machinery and methods. In his second report, *Re-examination of India's Administrative System* he made several suggestions for streamlining organisation, work, procedures, recruitment, training and relations between administration and parliament, administration and Planning Commission and administration and the Comptroller and Auditor-General.

In 1954, Ashok Chanda submitted his report entitled, *Notes on Changes Necessary in the System of Budgetary and Financial Control and in Other Methods* to eliminate delays in execution of projects. Chanda recommended greater measure of delegation, creation of all India services, adoption of office-oriented system of functioning, and constitution of a common service divided vertically into departments to provide for specialised training in the different spheres of governmental activity.

In 1962, the government set up a committee under the chairmanship of K. Santhanam, known as the Committee on Prevention of Corruption to examine the problem of corruption in government. The Committee submitted its report in 1964.

In 1963 while conducting the mid-term appraisal of the Third Five Year Plan, it was found that the pace of economic growth was slow, therefore, central and state governments were directed to enhance the administrative efficiency for speedy implementation of development programmes. The review resulted in setting up a new Department of Administrative Reforms under the Home Ministry in March 1964. The O&M division was moved from cabinet secretariat to the Department of Administrative Reforms. In 1965, Bureau of Public Enterprises was set up in the Ministry of Finance for better management of public enterprises. In September, 1965 it became the Department of Public Enterprises under the Ministry of Industry.

## Five Year Plans and Administrative Reforms

The Planning Commission has also been recommending changes in the public administration of the country. Each Five Year Plan contains a chapter on public administration. Planning Commission determines the nature of the administrative machinery to secure the successful implementation of the Plans. The Estimates Committee of Parliament also covers within its ambit the machinery of government and its personnel. Some of the reports are devoted entirely to questions of administrative reform.

On the recommendations of these Committees, the reorganisation unit was reorganised in 1958 to incorporate the use of work study techniques for determining work loads and staff component and overhauling procedures. Two high level institutions, the Central O&M division and Indian Institute of Public Administration (IIPA), were set up under the Ministry of Home Affairs to render assistance and to coordinate the activities of the central government in their campaign against corruption in the public services.

The Government of India set up in March 1964 the Department of Administrative Reforms in the Ministry of Home Affairs (now it is under the Ministry of Personnel and Administrative Reforms, Pensions and Public Grievances) to deal with problems of reform, reorganisation and modernisation of admin-

istration at all levels so as to make it an efficient and sensitive instrument for carrying out the task of economic development and social welfare and for the redressing of grievances of citizens arising from unsound procedures, delays, lack of courtesy and consideration in official dealings.

The Ministry of Finance also set up a Special Reorganisation Unit in the Department of Expenditure to assess the requirement of Staff in various ministries/departments through work measurement techniques. This unit also becomes a permanent agency for reviewing the organisation and procedure of the Government of India and suggested improvement in the existing methods of works.

## IIPA

The IIPA was set up as a result of Paul H. Appleby's recommendation. It runs a number of training courses for the public administrators and conducts researches on various subject matters of public administration. It publishes the *Indian Journal of Public Administration* which serves as a solid base for administrative reform research.

On the recommendation of Santhanam Committee in 1964, Central Vigilance Commission was established to inquire into the cases of corruption by higher civil servants. Likewise on the recommendation of the Second Pay Commission (1957), a Whitley type Machinery for redressing of grievances of civil servants was set up.

## Second Phase (1965–76)

Administrative reforms, until the setting up of the Administrative Reforms Commission, have been carried out mostly in the spirit, style and shape of improvisations. The committees that had been set up to report on administrative reforms have been content to suggest some alterations here and some additions there. Few have gone deeper and examined the whole system of administration as such; almost all of them have been the prisoners of the existing framework and the system that underscores it.

K. Hanumanthaiya, Chairman of the Commission, while commenting on this period rightly pointed out: 'During the last twenty years, there were only adjustments and no reform in the administration'. Thus, this period is characterised by 'too ready a disposition on the part of the government to appoint committees but on equal measure of apathy or even indifference to profit from their labours.' The government usually let the reports gather dust even if it accepted some of their recommendations, it delayed the implementation.

## Administrative Reforms Commission (1966–70)

The resolution of setting up the Administrative Reforms Commission (ARC) issued in 1964, said 'it will give consideration to the need for ensuring the highest standards of efficiency and integrity in the public services, and for making public administration a fit instrument for carrying out the social and economic goals of development as also one which is responsive to people.' The Commission was asked to consider the following sectors of public administration in particular: The machinery of the Government of India and its procedures of work; the machinery of planning at all levels; centre-state relationships; financial administration; personnel administration; economic administration; administration at the state level; district administration; agricultural administration; and problems of addressing citizens' grievances.

Thus, the Commission was asked to examine and report on such a vast array of subjects. It is an example of all embracing attempt at reform. The Commission submitted 20 reports for the reforms in various fields of administration in India. The Commission had made, in all, 581 recommendations and suggestions. In the words of Hanumanthaiya, government had accepted 80 per cent of recommendations made by the Commission. As the Commission also explored areas within the states' jurisdiction, the central government evidently lacks direct authority to take or compel action on them; it may bring such recommendations to the notice of the states and at best, use moral pressure in favour of them. Even recommendation directly concerning the centre broadly falls into two categories from the angle of implementation. Some recommendations concern formal structure and procedures of work. The other category calls for restructuring of rules, behaviour and attitudes, which, in turn, ultimately rest on the inner urges and orientations of the elective and permanent administrators. A large number of structure and procedure based recommendations are rather mild, emphasising as they do only minor re-adjustments, modifications and realignments. Even after taking into account all these factors, one cannot escape the painful conclusion that the record of acceptance of the Commission's recommendations has been discouraging and disheartening.

During the period 1979–80, due to ARC recommendation and efforts of the Central Reform Agency, enormous changes in administrative structure, system and procedures took place. On the recommendation of the ARC, the Department of Personnel was set up. Department of Administrative Reforms was restructured for better performance, system of secretarial working was improved by introducing desk officer system, performance budgeting was introduced by all government ministries, maximum possible powers were delegated and the working of Bureau of Public Enterprises was improved after the recommendations of the ARC Report on Public Sector.

The Department of Administrative Reforms carried out many studies relating to management such as organisational structure, methods and procedures, information system, records management, employees satisfaction, use of modern office machines, equipment and financial administration, etc. These studies improved the working of the offices to ensure citizens' satisfaction. All the states set up the Department of Personnel and Administrative Reform at the state level along with State Bureau of Public Enterprises, during the 1970s. In 1976, Audit and Accounts were separated for administrative improvement. However, the Emergency in 1975–76, gave a rude shock to the image of public administration when the credibility of the policy making and policy executing levels suffered.

### **Third Phase (1977–90)**

After the internal emergency, elections were held in March 1977 and Janata Party came in power at the centre. The Janata Party Government appointed various commissions to point out the excesses made during the Emergency. Again in 1980, Congress Party came in power and reform process started.

The Fazal Committee on Public Enterprises (1980–82) felt the need of accountability in Public Sector. The Jha Commission (1981–85) in its report on 'accountability' stressed the need of accountability and laid emphasis on performance, and results rather than rules and procedures. Both the Fazal Committee and Jha Commission suggested changes in organisations relating to clear cut definition of their goals and objectives, delegation of powers, system of performance appraisal, with a system of reward and punishment etc.

In March 1985, a full-fledged Ministry of Personnel, Public Grievances and Pensions was set up, with three departments, namely, Department of Personnel and Training, Department of Administrative Reforms and Public Grievances and Department of Pensions and Pensioners' Welfare. The ministry was placed

directly under the prime minister assisted by a minister of state. During this period more emphasis was laid on work culture and highest priority was given to performance results and outcomes. Prime Minister Rajiv Gandhi, addressing the Nation on 5 January 1985 announced several measures to equip administration for social and economic transformation. These measures included decentralisation, accountability, effective machinery for redressing public grievances and providing prompt, courteous service to citizens. In September 1985, a new Ministry of Programme Implementation was created under the charge of the prime minister. The ministry mainly coordinated all poverty alleviation programmes and made administration more responsive. The Ministry of Programme Implementation introduced the concept of 'management by objective'. According to this, a task plan along with time frame for each task has to be prepared and allocated to the individual officers and units to fix specific responsibility.

The Department of Administrative Reforms and Public Grievances has also taken several steps for administrative reforms. The department has prepared a scheme for modernisation of government offices to make them model offices through functional layouts, better services to the public and removal of public grievances. All the offices have been given separate budgets for purchase of modern equipment such as photocopiers, electronic typewriters and computers.

Steps taken for work improvement include lump-sum payment of road tax for personal vehicles like cars, scooters and motor cycles, new telephone numbers through electronic exchanges, computerised reservation facilities for rail reservations etc. Attention has also been paid for speedy redressal of public grievances by setting up and strengthening grievances removal machinery. A senior officer in each ministry/department is designated as director of grievances for speedy disposal of complaints. Personnel reforms were also proposed during 1980s and a major step in this field was introduction of compulsory training programmes for the Indian Administrative Service (IAS) officers.

## Fourth Phase (1990 Onwards)

This period is marked by unstable, minority/coalition governments at the centre with weak political leadership. The process of liberalisation started during this period has paved way for removal of controls and delicensing in industrial policy. The new economic policy adopted since 1991 has simplified the process of industrialisation in the country. Moreover, in this period steps have been taken to decentralise the powers through 73rd and 74th Constitutional Amendment Acts, 1992, which have given a constitutional basis to local self-government through panchayats and municipal bodies.

The Government of India constituted a Tax Reform Committee on 29 August 1991, under the Chairmanship of Raja J. Chelliah to examine the structures of direct and indirect taxes. The committee, in its interim report submitted in December 1991, underlined the need to tone up the administration as no amount of tax reform, rationalisation or simplification can substantially improve tax compliance, unless there is a substantial improvement in public perception regarding the efficiency, technical competence, integrity and ability of tax authorities to relentlessly pursue and punish tax evaders, without political or other interference. The committee suggested improving the morale of the work force. The government should recognise the paramount importance of the revenue department and should spare no efforts in improving their condition of service, technical skills and work environment. The committee submitted its final report on 25 August 1992 to the then Finance Minister and made wide-ranging recommendations.

In this period, the nexus between politicians, civil servants and business houses became clearly visible, scams of various kinds were unearthed, notably Bofors, Urea and Fertilizer, Hawala and Fodder Scam of Bihar.



## Fifth Pay Commission and Administrative Reforms

The Fifth Central Pay Commission while recommending high salaries for the government employees, also pleaded for administrative reforms keeping in view that substantial pay hike unaccompanied by administrative reforms would amount to further pampering of government employees. The Commission in its voluminous report of 172 chapters and 1600 pages devoted 33 chapters to administrative reforms. Its reform package suggests that the state should continue to take on the core functions that cannot be performed by the market and everything else should be left in private hands. The Commission, therefore, recommends the dismantling of the permit-license system, disinvestment in the public sector, corporatisation of departmental undertakings, and privatisation and contracting out of services now performed directly by the government. Further, keeping in view the reduction in work load in the case of the government taking on core functions only, the commission proposed to drastically reduce the work force of 40 lakhs (a suggestion even calls for doing away at one stroke the 3.5 lakhs posts currently vacant and cut the employees strength by 30 per cent over a decade).

The other recommendations of the Commission are: scrapping the Officials Secrets Act and replacing it with a Right to Information Act; bringing all government services in the purview of the Consumer Protection Act; establishment of a national election fund as well as an anti-corruption agency having an independent constitutional status; and introduction of a citizen's charter. These steps would address to the problems like lack of transparency, spread of corruption and absence of people friendly administration. Further, the Commission has recommended that no file should be required to move through more than three hierarchical levels for any decision to be taken. This step would certainly lessen file pushing, quicken decision making and promote accountability.

The Commission rightly recommended that legitimacy should be accorded to contract employment, especially in situations like short-term vacancies up to five years, time bound special projects and specialised jobs not generally required. Contract appointments are seen as opening the door to the lateral entry of experts. It may prove better if all government employment is made contractual because constitutional guarantee of security of service under Article 311 to governmental personnel had gone counter to accountability. The recommendation of the Commission that the army should be withdrawn from its counter-insurgency role and that the Rashtriya Rifles should be disbanded are warmly welcomed to strengthen democracy because it restores responsibility for dealing with inter-security problems to civil governments. Moreover, the Commission's recommendation that since the central public organisations have grown at the cancerous rate of 5.6 per cent per annum, as against 1 per cent for the bureaucracy as a whole, therefore, their numbers should be pruned by a one-third in 10 years is timely and good, but the pruning should be far more and effected much quicker. A substantial reduction of the centre's paramilitary forces would help in moving the management of it out of the coercive trap.

The Commission has given pre-eminence to the IAS which caused much resentment among other services. The Commission's assertion that bureaucrats are catalytic agents of change, that they enforce socially beneficial regulations, that they act as watch dogs supporting good people and suppressing malefactors, and so on, is a retrograde and regressive proposition. Further, the Commission has made a wrong judgement that only a network of 'All India Services' can ensure the country's integration. The experience proves it otherwise; in spite of All India Services, several separatist movements like Gorkhaland in Bengal, Bodoland in Assam, Vidharbha in Maharashtra, and Telangana in Andhra Pradesh have gained momentum. Unity of the country depends on emotional attachment, cultural bond and feeling of nationalism rather than on administration. Not only this, the Commission has also suggested for the creation of other

All India Services in the name of country's larger interest, forgetting that the states have earlier objected for the creation of more All India Services and put an end to the process after accepting only one All India Forest Service. This evidently was an anti-federal move, and it would be necessary to let the nation decide which way it wants to go. The suggestion made by the Commission to have civil service boards at the centre and in the states, headed by retired supreme court/high court judges, with exclusive power to decide upon transfer and other matters of government servants seems against the grain of democratic administration. Also, the suggestion that in case a particular government overruling its board, the matter should be placed before the concerned legislature goes against the Constitution. The delinking of senior officers from the whims of state level political matters is a necessary first step in depoliticising bureaucracy and has been often demanded by reformers. Let the people decide whether they want more bureaucracy or a strong and clean democracy.

By far the most revolutionary recommendation of the Commission is to do away with the present feudal holiday system. The rule is now to honour the dead with a closed holiday. This covers even those who died centuries ago. The suggestion of the Commission to have only three national holidays, Republic Day, Independence Day, and Gandhi Jayanti, and 12 casual leaves is important and timely in the direction of improving the work culture. The suggestion that bonus should be linked to productivity and not to production is welcome. The suggestion for modernisation through automation and computers needs to be supported.

The government has accepted the report of the Commission with some modifications. The government had not accepted Commission's recommendations of increase in the retirement age from 58 years to 60 years and reduction of employees post up to 30 per cent in 10 years etc. But BJP coalition government has raised the age of retirement of Central Government employees to 60 years with effect from May 31, 1998 to fulfil the election promise.

## Features of Administrative Reforms

The administrative reforms in India have passed through many stages and during the process acquired some features. Some of the important features of administrative reforms in India are discussed here.

In India, the origins of reforms are mainly three; first, some reforms have come from the political process such as reorganisation of states or public inquiries against the chief ministers or political scandals. Some reforms have been initiated on the recommendations of the reform committees/commissions such as ARC, while some have been initiated by the central agencies such as Department of Personnel and Administrative Reforms.

The central government has played a leading role in the field of administrative reforms in the country for all the three-levels of governments namely central, state and local. This has happened mainly because of centralised planning. The central government has set up several committees on the state list subjects such as the Balwant Rai Mehta Committee, 1957, to suggest ways for peoples' participation in Panchayati Raj, V. T. Karishnamachari Committee report on Indian and state administrative services and problems of district administration, Ashok Mehta Committee on Panchayati Raj Institutions, etc

It is important to note that academic and research institutions in the country have not made any significant attempt to provide leadership in the field of administrative reforms. Even IIPA has not contributed much in this field. NGOs (Non-Governmental Organisations) and Citizens Forums etc. have also not taken active interest in the field of administrative reforms.



## Obstacles in Administrative Reforms

Despite the appointment of various commissions and committees for administrative reforms and the recommendations made by them, administrative reforms have not taken place to the desired extent. This can be attributed to the following reasons:

- (a) Though a number of committees and commissions examined and made recommendation for reform in general, they did not examine problems of field administration in detail. Also, the reports containing recommendations of committees and commissions appointed from time to time have either not been read or not considered for years.
- (b) Though the recommendations of committees and commissions were many but the acceptance was tardy, largely because of our bureaucratic culture which is anti-change.
- (c) Administrative reform is on low priority for the political leadership. The politicians take interest in short-term changes here and there and not in long term administrative reforms.
- (d) Lack of integrity and prevalence of speed money for any work in administration has also slowed down the process of administrative reforms. The issues such as administrative morality, public accountability, democratisation and decentralisation of administration and openness of administrative actions, etc. are beyond the vocabulary of administrative reforms.
- (e) Neglect of democratic decentralisation efforts have continued during the last four/five decades in spite of the recommendations made by Balwant Rai Mehta Committee (1959); Ashok Mehta Committee (1978); and G. V. K. Rao Committee (1985). Only recently, the 1992 Parliament passed Constitutional Amendment Act (73rd) for establishment of Panchayati Raj in the country for decentralisation purposes.
- (f) The efforts for ministerial/departmental accountability through the system of annual action plans (AAP) launched with great zeal were diluted as the time passed. The AAPs and performance budget have become only rituals. Thus, civil servants have evaded any accountability for their decisions and actions, MBO techniques and MOU extended to public enterprises both have not been taken in right earnest.

Lastly, success of administrative reforms depends on top politicians and bureaucratic support, but both are busy in furtherance of their mutual interest and hardly find time to pay attention for administrative reforms. The politics in the country is characterised by instability in this era of coalition governments and bureaucrats hardly provide leadership for administrative reforms. Our public servants from being mere controllers and regulators have to be converted into catalysts, promoters and facilitators.

## Conclusion

In a democracy, administrators have to work under the guidance of political leaders who on their part, should win the confidence of the electorate by exhibiting their qualities of selfless service, of being nationalists and patriots and wedded to the welfare of society. The administrators, in 21st century for good governance and administration would be required to be efficient, effective, dynamic, objective, fair, honest and forward looking. Administration should be open, transparent, people oriented, accountable and responsive. New technology related to information and communication, computer and telecommunication sys-

tem can enhance the capability and efficiency of administration. The future administrators would be operators of computers rather than clerks. Computer print-outs will take place of notings on files to make administration efficient and effective. Therefore, the future direction of administrative reforms should make our administration more responsive to efficient delivery of social services; fast and effective grievance redressal; effective involvement of citizens in decision making; judicial reforms for quick and inexpensive justice; tackling corruption and preparation of a charter of ethics and value system for the civil services.

## REFERENCES

---

1. G. E. Milward (ed.), 1959, *Organisation and Methods*, London: Macmillan, p. 253.
2. Paul H. Appleby Report, 1953, p. 59.
3. Paul H. Appleby, *Big Democracy*, pp. v–viii.
4. I.L.O., 1958, *Introduction of Work Study*, 1958, p. 35.
5. Gerald E. Caiden, 1969, *Administrative Reform*, Chicago: Aldine Publishing House, p. 8.
6. S. R. Maheshwari, 1972, *The Administrative Reforms Commission*, Agra: Lakshmi Narain, p. 15.
7. *The Hindustan Times*, 28 April 1967.

## Administrative Law

---

Administrative law is one of the two branches of public law, the other being constitutional law. Whereas the latter is the highest law of any country and is concerned with the composition and construction of the machinery of the government, the former studies the organisation, powers and duties of administrative authorities, rules, regulations and procedures, etc., for the smooth running of administrative machinery. According to Sir Ivor Jennings (1971: 217), 'Administrative law is the law relating to the administration. It determines the organisation, powers and duties of administrative authorities.'<sup>1</sup> F. J. Goodnow broadened the definition to encompass, 'that part of the public law which fixes the organisation and determines the competence of the administrative authorities and indicates to the individuals remedies for the violation of his rights.'<sup>2</sup> Administrative law can thus be defined both in a narrow and a broad sense. In the narrow sense, administrative law determines the amount of discretion and its limitations permitted to the administrative agencies in practice. In other words, it determines the power and responsibilities of officials in the discharge of their official duties. In the broader sense, administrative law relates to the whole of public administration. It is the sum-total of the principles according to which public administration enforces public policy. In this sense, administrative law includes all the statutes, charters, resolutions, judicial decisions, rules, regulations, procedures and orders relating to the structure of the administrative authorities, their powers and responsibility, their officials and their finances, etc. The French conceive of administrative law in the wide sense so as to mean the totality of legal rules regulating the relations between public authority and the citizens. They have a well-developed system of administrative courts which interpret and decide cases involving citizens and administration according to administrative law. Albert Venn Dicey in his book *An Introduction to the Study of the Law of Constitution* (1885) has described the French administrative law or *droit administratif* as a law which determines (a) the position and liabilities of all state officials, (b) the civil rights and liabilities of private individuals in their dealings with officials and representatives of the state, and (c) the procedure by which these rights and liabilities are enforced.

## DICEY AND ADMINISTRATIVE LAW

Deeply steeped in the tradition of the common law, Dicey totally misinterpreted the administrative law as developed in France. He identified the French *droit administratif* with that part of the law which provided for special courts for the trial of civil servants when in conflict with the ordinary citizens of the country. He believed that this system of separate courts, one for the citizens and the other for the officials, was nothing but the perpetuation of injustice and the rights and liberties of the French citizens were in danger. This, he felt, violated the fundamental rules of equality between government and citizens as they are implicit in the common law tradition. Wrong as he was, his ideas had a very powerful influence and helped retard the development of administrative law as a science in the common law world for decades.

In sharp contrast to the French administrative law, Dicey gave classical formulation to the concept of the 'rule of law'. According to him, 'rule of law' means three things:

It means, in the first place, the absolute supremacy or predominance of regular law as opposed to the influence of arbitrary power, and excludes the existence of arbitrariness, of prerogative, or even of wide discretionary authority on the part of government. Englishmen are ruled by the law and by the law alone; a man may, with us, be punished for breach of the law, but he can be punished for nothing else.

It means that the executive has no arbitrary powers over the individual who cannot be deprived of life, liberty, or property without the sanction either of Parliament or of the common law. Nor can the individual be detained or arrested except for a definite breach of law duly proved in the court of law. The presence of these rights reduces the possibilities of executive arbitrariness, and oppression to the minimum.

'It means again, equality before the law, or the equal subjection of all classes to the ordinary law of the land administered by the ordinary law courts.' It means that there are no special courts and everyone is subject to the ordinary law and ordinary courts. All public officials, high or low, are under the same responsibility for every act done in their official capacity. Dicey while elaborating the equality of all before law says, 'With us every official, from the Prime Minister to a constable or a collector of taxes, is under the same responsibility for every act done without legal justification as any other citizens.'

The 'rule of law', lastly, may be used as a formula for expressing the fact that with us the law of the constitution, the rules which in foreign countries naturally form part of the constitutional code, are not the sources but the consequences of the rights of individuals, as defined and enforced by the courts. It means that the main principles of the constitution, such as the right of personal liberty or of public meeting, have been set up on the foundation of the old common law and not as things derived from any general constitutional theory.

## Criticism of Dicey's Views

The Dicey's concept of 'rule of law' is now considered to be subject to serious limitations. With the phenomenal rise in the economic and social activities of the state, it has become essential to equip the administrative authorities with more and more discretionary powers. The keynote of 19th century thought was individualism. Judges and politicians agree that the maintenance of order both within and outside the country was the only legitimate function of government. A new and irresistible urge for social security has been born; freedom from want has become more important than freedom of property; the extension of franchise to the working classes by the Reforms Act resulted in the formation of administrations which

introduced unemployment, sickness, and old age benefits. In short, the old policy of *laissez faire* has now been given up and the adoption of the social service or welfare state had led to a very great increase in the number of activities of the various administrative agencies. Consequently, public administration affects the rights and liberties of the individuals in all spheres of life..In the words of Griffith and Street, 'today the Welfare State primarily endeavours to invest the administrator with almost unlimited discretion to fulfil social needs through the accomplishment of legislative policies by the method of trial and error.' Therefore, the central issue is not 'no discretion' but 'how much discretion' to the administrative authorities.

Even on his own premise, Dicey was wrong when he said that there was no administrative law in England. As W. A. Rodson says, there was always a special body of law applicable to the activities of administrative authorities only and giving them special rights, powers, duties and liabilities entirely different from those of the citizens. As long back as 1909, in a case in which the Board of Agriculture authorised the compulsory sale of farmland, Justice Darling found the Board to be 'no more impeachable than Parliament itself.' The decision was perfectly right in view of the fact that the Parliament had already given the Board the power to make rules and regulations. After the passage of Crown Proceedings Act, 1947, there remain certain privileges and immunities which are open to public authorities and their officers. The Trade Disputes Act, 1906, prohibits the bringing of any action against a trade union in respect of a tort. Like many other countries of the world, England, too, gives immunities to the persons and property of other states, their rules and diplomatic agents. To cap this all, 'the King can do no wrong' has always conferred a special status on the King in relation to citizens and even today, when the Britons have taken to democratic setup, the King still enjoys certain special privileges commonly known as 'royal prerogatives'. Today the trend in authorising officials by statutes to decide disputes between their departments and private citizens is no less visible in England as in other countries. Acts of Parliament, such as Acts dealing with factories, trade boards, public health or with town and country planning, are examples of the kind of enactments that bestow special powers upon administrative agencies. So to say that there is perfect equality between the administrative authorities and the ordinary citizens is not borne out by facts.

Again, Dicey was not wholly correct when he said that the constitution instead of being the source of citizen's rights is their result because the bulk of the English Constitution is founded on customs, traditions, and statutory enactments.

From what is discussed so far, it is clear that Dicey was wrong not only in his concept of the rule of law but he also overlooked the significance of the administrative law. In France, the *droit administratif* and French administrative tribunals, in particular the Counsel d'Etat—staffed with highly qualified lawyers, experts in administration and government service—had built up, in the words of Friedmann,

a system of jurisprudence that gave more powerful protection to the citizen against the arbitrary actions of government than the common law system. English law, at least in Dicey's time and for many years after, fell very seriously short of the noble concept of equality of governors and governed, since it gave the government immunity from liability in tort and in contract; a concept which goes back to feudalism: The King can do no wrong, the King cannot be sued in his own courts. This archaic conception is now on the way out—though not yet entirely in this country, and certainly only incompletely in the United States, but such a notion of the relations between government and citizens was long ago thrown out by the administrative jurisprudence developed by the administrative courts of France and of other continental countries. Indeed, in some significant respects administrative courts developed remedies against the government on behalf of the citizens which the civil courts refused. A celebrated example is the

doctrine of the so-called ‘improvision’ which broadly means the occurrence of unforeseen circumstances. World War I and the inflations following it had profoundly shaken the value of currencies not only in Germany but also in France, and, therefore, had greatly undermined the fairness of the conditions, neglected in long-term contracts between governments or other public authorities and supplies: for example, suppliers of gas, electricity or road constructions. But the civil courts of France, led by the Cour de Cassation had consistently held that a contract is a contract and that no adjustment could be made. It was left to the administrative (i.e., the Conseil d’Etat) to develop a different doctrine and to introduce into French administrative law, the equitable adjustment of obligation in contracts between government and private citizens, where the circumstances had altered so much that the equilibrium of the contract was disturbed. This is roughly the equivalent of the doctrine of frustration in the common law, but the significant fact is that here the administrative courts developed a remedy for the citizens that the civil courts - to Dicey the only proper courts—had refused. (Lecture delivered at IIPA, New Delhi, 24 January 1962)<sup>3</sup>

Referring to the Diceyan myth of equality between the governors and the governed, he said:

In this form, I humbly submit that the phrase is sheer nonsense. What is, I think, essential is that the inequalities between governors and governed should be inequalities based on principles and not of an arbitrary character. This means that they should be inequalities of function and service and not be based on discriminations between one citizen and another.<sup>4</sup>

## Universality of Administrative Law

Administrative law is now a universal phenomenon although we may or may not recognise it as a separate branch of public law. Wherever there is public administration, there must be administrative law and the greater the scope of public administration, the greater is the scope of administrative law. Now-a-days the government must enjoy wide discretionary powers on account of the increasing horizons of the state. This is essential for the dynamic and flexible functioning of the administration. In fact, ‘discretion is the essence of government (today), but the principles governing the proper limitations of discretion are the essence of administrative law.’ Therefore, administrative law as regulating the constitution, functions, procedure, and powers of administrative authorities is all-pervasive of the modern governments. It exists side by side the rule of law if by the latter we mean the absence of arbitrary powers.

## Origin of the Administrative Law

The administrative law first found its origin in France as a result of historical circumstances and political beliefs of the time. Before the French revolution, there was a general repugnance to the judicial control exercised over the administrative authorities. Those persons who were actively associated with the revolutionary movement were of the opinion that if judges were allowed to decide conflicts between the state and its administrative authorities on the one hand, and private individuals on the other, it would result in judicial interference with the normal operations of the government thereby impairing the efficiency of the administration. Montesquieu’s theory of the separation of powers was also in the forefront in those

days and had a great ideological appeal. The result was that immediately after the Revolution, many laws were passed preventing the judiciary from interfering in the work of administration. Even punishment was provided in the penal code for the judges who would try to interfere in the administrative functions.

This resulted in a very unsatisfactory situation in France. The administrative authorities could act as they pleased and there was no relief to the citizens suffering on account of their arbitrariness and oppressive actions, except that an appeal could be made to political representatives. According to Revolutionary ideas, appeal to political representatives was a sufficient safeguard against the abuse of power but it could not be so because administration possessed a dominant position and practised domination. An inevitable chain of protests set in and after many developments, government thought of improving the situation. The first step in this direction was taken by Napoleon Bonaparte who established councils of juris consults. A council of state (Counsel d'Etat) was set up at the national level, and in the various departments, the Prefectural Councils were constituted. With the passage of time, the system has grown and has spread to other countries as well.

## Sources of Administrative Law

Administrative law consists of large number of statutes, charters, rules, regulations and procedures as also those resolutions, orders, decisions etc., which are meant for running smooth administration. In fact, administration is both a child and parent of administrative law. There are rules and regulations which govern it and there are others by which it is governed. The chief sources from which administrative law flows are:

- (a) The constitution of the country;
- (b) The statutes, acts, resolutions, etc., passed by the legislature of the country;
- (c) Charters, local bodies acts granted and enacted by the legislature;
- (d) Ordinances, rules, regulations, resolutions, orders, directions, and decisions etc., issued by the administrative authorities;
- (e) Customs and conventions; and
- (f) Judicial decisions of the courts.

## Scope of Administrative Law

Administrative law, in its broader sense, covers the whole of public administration and governmental powers in relation to the citizens. Taken in this sense, the scope of administrative law would be in direct proportion to the scope of public administration. This is the chief reason why public administration has been largely studied under the name of administrative law in the continental countries. The Committee on Public Administration of the Social Research Council, USA, mentioned the following outlines as the scope of administrative laws (Pfiffner 1946):<sup>5</sup>

Problems of public personnel; problems of fiscal administration; legal conditions in administrative discretion; administrative law and administrative courts; Administrative regulation; administrative examination; government contracts; Claims against government; remedies against administrative action; law relating to the status and recognition of professional associations; and legal rules governing actions of plural-headed administrative bodies.

James Hart (1956: 10-11) bifurcates the scope of administrative law into (a) law of internal administration, and (b) law of external administration. Under the law of internal administration, he includes such topics as legal qualifications for office, legal disqualifications for officers, legal aspects of the hierarchical form of departmental organisation, the legal relation of the administrative superior to the subordinate, and the legal relation between the power of removal and of administrative management. Under the law of external administration, Hart includes (a) powers and duties of administrative authorities related directly to private interests, (b) the scope and limits of such powers, (c) sanctions (i.e., means of enforcement) attached to official decisions, and (d) the remedies against official action.<sup>6</sup>

A briefer and more systematic outline of the scope of administrative law would be to divide it into two parts and under these two titles M. P. Sharma includes:

**Law of official powers:** (a) non-coercive, (b) semi-coercive inspection, licensing etc., (c) coercive: sanctions, legal and extra legal, (d) delegated legislation, administrative orders, (e) administrative adjudication.

**Law of administrative responsibility:** (a) To the executive, (b) to the legislature, (c) to the electorate, (d) to the law courts, (e) judicial review of administrative acts, (f) claims against administrative authorities, (g) remedies against administrative acts.

In France, the scope of administrative law has been constantly growing. It has been enlarged so as to include (a) contractual and delictual relations between the government and the citizens and (b) concepts like the *risqué cree*. Referring to the contractual and delictual relations and their importance in the administrative law world, Friedmann said,

The field of government contract is an extremely important one. One could write whole treaties today about government contracts. The French have also regarded this as an eminently important aspect of administrative law. They have sought to distinguish contracts where the government faces a citizen as an equal, where it is more or less like an ordinary purchaser or supplier and therefore subject to the civil courts, from other contracts where the government - for instance as a buyer of uniforms, acts as a government. The latter is called administrative contract, a genuine contract subject to legal remedies but distinct from the civil contract, in so far as it gives the government a power of unilateral termination in the interest of the country...subject to indemnification.

Referring to the concept of *risqué cree*, he said the French courts,

have imposed upon the state absolute liability regardless of fault, by developing the concept of the *risque cree*. The government must, for instance, have the power to establish ammunition dumps, or to contract nuclear reactors. But in undertaking dangerous operation in its governmental function for the benefit of the nation as a whole, the government is liable for the risks created, even if there is no fault because in many of the situations the fault of the particular individual officer cannot be proved. The Consul d'Etat has seen that a proper adjustment between the necessary functions of government in undertaking such operations and the danger to the public from them demands compensation regardless of fault.



This shows how the courts have been anxious to develop administrative law in that country.

Referring to the growth of public corporations in India, Friedmann pledged for the study of these enterprises as part of the study of administrative law. He said:

Needless to say, it [public corporations] is considered as a proper and important part of administrative law in the continental systems, and I think that it should be treated as such in this country, where the public corporation, owing to the importance of governmental enterprise in the mixed economy, plays a very important part. It seems to me that an analysis of the status and function, the powers, privileges, duties, and liabilities of the corporation is a very important part of administrative law. .

From what has been said, it is clear that the scope of administrative law would continue to grow with the coming in of the new types of organisations in public administration.

## Features of Administrative Law

In the words of Robson, administrative law subordinates the common law, rights of personal freedom and private property to the conception of social or common good. It seeks to reconcile freedom and justice for the citizens with the necessities of a modern government having responsibilities for the promotion of far-reaching social and economic policies. To secure the latter, it places necessary restriction on individual rights and freedoms. It gives priority to social interests over individual interests.

As the object of the administrative law is the enforcement of social policies, it lays down certain flexible standards to be applied to cases instead of cut and dried legal rules or precepts to be followed. This is because most of the legislation enacted by the legislatures today is in the skeleton form and the details are left to be filled in by the executive authorities. Thus, an Act may state that the transport rates should be reasonable or that unfair practices should be checked in certain trades or traffic restrictions should be placed to secure safety of the bridge and so on. Now what is reasonable rate of transport or what constitutes unfair practices or what should be the nature of traffic restrictions are the questions about which the Acts makes no mention. Rather it leaves the whole issue to be decided by the adjudicator. This makes for flexible interpretation of the administrative law.

As many of the standards established by administrative law relate to highly technical matters as discussed above, their interpretation and application is left to the administrative tribunals especially constituted for the purpose. They are staffed by technical experts who have the knowledge both of administration and law. These tribunals award cheap, expeditious and expert decisions on administrative matters.

Administrative law places public authorities in an advantageous position over the private individuals. As we studied previously, discretion is the sense of the government and administrative law duly permits it. As such, the administrative authorities get a privileged status as against private citizens. It is possible that these discretionary powers may be misused or used to the advantage of a few selected persons to the disadvantage of many others, and possible it is, as it usually happens, that there may be no proper channels for redress against such misuse of authority. This is the reason of administrative law having had to face scathing criticism from several quarters. Lord Hewart even identified administrative law as 'organised lawlessness'. *The Times of India* (20 December 1957), in its editorial observed: 'In any case, in our view, administrative law with its creature administrative tribunals is, like martial law, the negation of law.'<sup>7</sup>

Administrative law is not codified, and essentially, is experimental and dynamic.. Some of the rules have been established by the decrees issued from time to time, while the most important, and by far the largest part of it depends upon the decisions of the administrative courts. As Frankfurter and Davidson say,

We are dealing with law in the making...Administrative law is growing; it necessarily is still crude and empirical. It is dealing with new problems calling for new social inventions or fresh adaptation of old experiences...In a field as vast and unruly we must be wary against generalisation and merely formal system'.<sup>8</sup>

In this respect, administrative law 'somewhat resembles the common law which has been slowly built up in the regular courts by one decision after another' (ibid.).

## Conclusion

It may be mentioned that administrative law does not endanger rights of the citizens if only it is well developed and well applied by the administrative tribunals. In the light of the French experience, it can be safely said that, far from fortifying the arbitrariness of government towards the citizens, administrative law enhances individual freedom. The French Council of State has established admirable traditions of impartiality and justice. According to Zink, 'Access to the Council of State and to the regional tribunals is easy and inexpensive. The French people take full advantage of this system and bring many thousands of cases every year to the regional and central tribunals. Experience shows that administrative courts in no way jeopardise popular rights and liberties in practice'.<sup>9</sup> Rather, they afford the individual almost perfect protection against arbitrary administrative actions. In the words of Graner, 'there is no other country in which the rights of the private individuals are so well protected against administrative abuses and the people so sure of receiving reparation for injuries sustained for such abuses,' as in France.

In the end, we may say that if the administrative law and administrative tribunals are developed on the lines of the French experience, there is certainly no danger to individual freedom. Unfortunately, the common law world has been so far too tradition bound to make use of the French experience. Due to this, there has been no systematisation of administrative justice, and administrative law has been predominantly preoccupied, as in the USA, with grievance procedure and the methods by which the citizens can obtain redress from government. What is needed is the recognition of a more systematic conception of administrative justice. Administrative law is a 'must', it has come to stay and any modern state which wishes to preserve a balance between the powers of government and the protection of the citizen's legitimate interest must need have a system of administrative justice.

## DELEGATED LEGISLATION

### Meaning and Definitions

Delegated legislation means the delegating of the law-making function by the legislature to the executive. It is true that legislation is the responsibility of the legislative branch of government and not of administrative, yet due to important social, political and economic changes, the legislature has found itself obliged to delegate a good deal of its legislative power to the administrative authorities, who exercise this power through rule making. Since the rules made by the executive have the force of law and are enforced by the courts of law, this rule making power is known as 'delegated legislation', 'executive legislation' or 'subordinate legislation'. The Committee on Ministers' Powers in England defined it 'as the exercise of minor legislative power by subordinate authorities and bodies in pursuance of statutory authority given by the parliament itself.' Delegated legislation thus means the exercise by subordinate authority, such as of a minister's legislative power delegated by Parliament. Parliament passes an Act in general terms and

delegates the authority of rule-making under the Act to the minister concerned. Because this authority of rule-making is in pursuance of statutory authority and not an original power of the executive in its own right, delegated legislation is strictly subordinate to the statute under which it is made. If a rule is inconsistent with the statute, it is void.

The power of delegated legislation is granted to the Union or state governments in India and to the departments or regulatory bodies or to other important agencies. It is also granted to local bodies, statutory corporations, universities and professional representative bodies. It is to be noted that the power of delegated legislation is granted only to very high responsible authorities and no such authority is allowed to sub-delegate its power to its subordinate authority.

## Reasons for the Growth of Delegated Legislation

The phenomenon of delegated legislation has become widespread almost in every country. In the USA, during the first decade of the federal government, as L. D. White points out, there were only 19 instances of delegated rule-making power. Since 1890, the authority to issue rules has grown by leaps and bounds. In 1936 it had been vested in 115 federal agencies, on the basis of 964 statutory and 71 executive orders and proclamations. The published rules and regulations cover about 8 or 10 times as many pages as the Acts passed by the Congress.<sup>10</sup> The main reasons for its growth are discussed in the following sections.

In modern times, the functions of welfare states have increased tremendously touching almost every aspect of a citizen's life resulting in the enormous increase in the functions of the legislature, obliging it to delegate some of its powers to the executive. The legislatures of today are over-burdened with work, and are unable to find adequate time to perform it efficiently. Naturally they must delegate some of their authority to someone else so that it may devote itself to major policy matters. Thus, pressure of work and lack of time on the part of the legislature are the first reason for the growth of delegated legislation.

Second, the average member of the legislature is not an expert but a lay man. The legislature by its very nature is not in a position to deal with too technical matters, which can be handled efficiently only by experts. Therefore, it lays down only the general principles and leaves the technical details to be filled up by the departments, which are possessed of the expert and technical knowledge. For example, the Parliament may by law place restrictions on the sale of poisonous substances, but it will have to leave the compilation of poisonous substances to the experts in the Medical and Health Departments.

Third, law may require alterations with the change of times and circumstances. Parliament, being not always in session is not in a position to make instant changes to meet the changing conditions. It has therefore to leave to the executive to make rules and provide alterations in them whenever necessary.

Fourth, to meet emergencies like natural calamities, epidemics or war, full powers have to be given to the executive.

Fifth, it is not possible for the legislature to foresee and include in the law itself all the contingencies which may possibly arise, especially in case of large and complex matters. Therefore, these are left to the department to be regulated appropriately.

Lastly, administrative agencies can make better consultation with the interests affected than the legislature.

## Classification of Delegated Legislation

On the basis of its content and purpose, delegated legislation can be classified into (a) contingent, (b) supplementary; and (c) interpretative.

Contingent type of legislation takes place where the legislature provides that the Act will be applied on the occurrence of a certain contingency, and delegates the power to determine the existence of that contingency to the administrative agency, and apply the Act accordingly. The most common example of this type of delegated legislation is to be found in the authority given to the administrative agency to suspend or vary the provisions of a Tariff Act in regard to particular products of countries.

Supplementary type of delegated legislation is one which fills up the gaps of a law passed by the legislature in a skeleton form. In this case the legislature lays down only the general principles of a law and leaves the details to be filled up by the executive. 'The following matters shall be governed by rules made by the Government', is the usual formula inserted in the statute. Often these may be of more importance to the citizens than the general provisions of the Act.

Interpretative delegated legislation clarifies and explains the provisions of the law to which it relates. It may be emphasised again that delegated legislation is subordinate legislation, because, first, the power to make rules is derived and not original, and, second, because it is subject to judicial review. If delegated legislation is inconsistent in any way with the statutory law, the court will declare the former void. It would also be invalid if it is inconsistent, with the constitutional law. In some of the countries like India or the USA, we have three gradations of law based on the descending order of their authoritativeness, namely, (a) the constitutional law which is the highest law of the land and overrides both the ordinary and the delegated legislation, (b) the ordinary laws made by the Parliament which overrid delegated legislation of all types, and (c) the delegated legislation in the form of rules and regulations, etc., which are lowest in authority and subject to validity only if consistent with the above two classes of law. It may also be noted that the ordinances issued by the president or governors in India are not delegated legislation, because their power to issue ordinances is original, i.e., conferred by the Constitution itself. Similarly orders-in-council in England are not delegated legislation because they are in virtue of the original authority vested in the Crown as a part of royal prerogative.

## Advantage of Delegated Legislation

The advantages of delegated legislation are:

- (a) Delegated legislation saves time of the Parliament. The types of activities that are now falling under the governmental sphere are so complex and voluminous that the legislature has neither the time nor the capacity to make laws for their regulation. Therefore, it delegated some of its powers to the executive, frees itself from the burden of details and thus saves its time to devote it to more important issues of policy.
- (b) Delegated legislation makes for flexibility. Statutes create rigidity in administration, while administrative legislation is more adaptable to changing circumstances. It is especially useful in those branches of administration which are liable to occasional changes and where rapid technical developments are taking place.
- (c) Prior consultation with the interests likely to be affected is necessary to make legislation effective. Delegated legislation drafting of the rule permits conference between the government and the concerned parties and the agreement thus reached ensures voluntary compliance.
- (d) The rules under delegated legislation are drafted by experts in the appropriate department who are familiar with the actual conditions. The details can thus be much better worked out by them than by the lay members of the legislature.

(e) Making of experiments is possible through delegated legislation in such fields as town planning, etc. 'In entering new fields the first administrative rules may be relatively innocuous, with gradual stiffening until the full intent of the statute is achieved.

(f) It is better to clothe the administrative agencies with the necessary discretion to deal with the possible contingencies which may arise in the application of law since the legislature is unable to foresee and provide for all of them.

(h) The 'administrative legislation permits a definite statement of policy without litigation or compulsion; the order necessarily implies compulsion upon an individual or corporation and can be challenged by it only in formal proceeding. The avoidance of litigation as far as possible is a definite gain.'

## Disadvantages of Delegated Legislation

Delegated legislation, however, is criticised on several grounds:

(a) The first charge against delegated legislation is that so wide a discretion given to the official may lead to despotism and turn a democracy into an arbitrary rule. Some English and US jurists are alarmed at the development of this new form of despotism. Lord Hewart in his book entitled *New Despotism* published in 1929 argued that the characteristic feature of the old time despotism was a combination of all powers—executive, legislative and judicial—in the hands of the monarch. Constitutional government separated these powers into the hands of distinct organs to safeguard the liberty of the individuals. Growth of delegated legislation and administrative adjudication has again combined the three powers into the hands of administration and thus a 'new despotism' has come into being.

(b) The advantage of flexibility in law may bring about instability and chaos by too frequent changes in rules.

(c) The arrangements for publication of the rules may be inadequate and unsatisfactory with the result that the average man may be ignorant of them.

(d) Rule-making by administrative officers may overlook what is politically feasible. A great power of rule making into the hands of officials may corrupt the administration and ultimately the whole society. Rule makers may be subjected to political pressure and turn the rules to special or private instead of public purposes.

(e) Delegation may be in such terms as to exclude the control of the courts and deprive the citizens of the protection by the courts. Moreover, even where the courts have the power to protect the citizens, they may find it difficult to avail of judicial remedy on account of the procedural difficulties, cost and delay involved.

(f) Lastly, the legislature may not maintain a balance between its own constitutional powers and the powers of the administration and thereby jeopardize the freedom of the citizens. It may, for example, give such powers as the imposition of taxes, or prescribing of penalties or, worst of all, to amend Acts of the Parliament to the administration. This type of delegation of powers cuts at the very roots of democracy. In India, such an alienation of powers on the part of Parliament is not uncommon. For example, the Local Government Act, 1948, of Madhya Pradesh contains, what is commonly known as the Henry VIII Clause, empowering the government to modify or to add the Act, to obviate difficulties in its operation.<sup>11</sup>

To conclude, it may be said that whatever dangers of delegated legislation the fact remains that 'the easy talk of "conspiracy" and the "bureaucracy triumphant" in which Lord Hewart and C. K. Allen have indulged, not only shrank to nothing at the first serious analysis but revealed the more important fact that administrative law is well settled in the general respect of the public'.<sup>12</sup> 'It is directly related to Acts of Parliament, related as child to parent, a growing child called upon to relieve the parent of strain of overwork and capable of attending to minor matters while the parent manages the main business.'<sup>13</sup> In the words of Laski, '...here is everything to be said for, and little effective to be said against the process of delegated legislation. Anyone who examines the kind of subject matter with which it deals, will find that it saves a good deal of valuable Parliamentary time which can be better used for other matters'.<sup>14</sup>

## Safeguards in Delegated Legislation

Howsoever inevitable and in-escapable delegated legislation may be, it cannot be allowed to operate unchecked. Certain safeguards need be provided to obviate its dangers. The Select Committee on Minister's Powers appointed by the British Parliament in 1931, while declaring administrative rule-making as an essential part of public administration, formulated following principles to safeguard the individual's rights: (a) that the legislative power should be delegated to a trust-worthy authority which commands general confidence and not to some officer of inferior status who is unfit to exercise the powers; (b) that the limits within which the delegated power is to be exercised ought to be definitely laid down; (c) that if any of particular interests are to be affected specially, the authority should consult them before making its laws; (d) that adequate measures should be taken to ensure publicity to rules; and (e) that there should be means of amending or revoking delegated legislation.

In addition the following safeguards may also be suggested:

**Publication and publicity:** Subordinate legislation must be published and given adequate publicity through press, broadcasts, Govt. gazettes etc

**Consultation:** The procedure of rule-making should invariably provide for the consultation of those persons or parties or interests affected by that rule and public criticism and suggestions should be invited before a rule is actually enforced.

**Well-defined limits:** Delegation of the legislative power by the parliament should always be subject to well-defined limits.

**Normal purpose:** The power to impose taxes, to prescribe penalties, or to amend the provisions of Acts are abnormal powers and should not be delegated.

**Judicial review:** Delegated legislation should not be exempted from judicial review.

## PARLIAMENTARY CONTROL OVER DELEGATED LEGISLATION IN INDIA

In India, there is a Committee on Subordinate Legislation 'to scrutinise and report to the House whether the powers delegated by Parliament have been properly exercised within the frame work of the statute delegating such power.' The committee consists of 15 members who are nominated by the speaker for a period of one year. The duties of the committee are to consider:

(a) whether each order framed in pursuance of the legislative functions delegated by Parliament; (b) it is in accord with the general objects of the constitution or the Act pursuant to which it is made; (c) it contains matter which, in the opinion of the committee, should properly be dealt with by an Act of Parliament, (d) it contains any imposition of any tax; (e) it directly or indirectly bars the jurisdiction of the courts; (f) it gives retrospective effect to any of the provisions in respect of which the Act does not expressly give any such power; (g) it involves expenditure from the Consolidated Fund or the public revenue; (h) it appears to make some unusual or unexpected use of the powers by the Act pursuant to which it is made or; (i) whether there appears to have been unjustifiable delay in its publication or laying it before Parliament; (j) whether its form or purport calls for any elucidation.

The Committee shall submit its report to the Parliament expressing therein its opinion that any order may be annulled wholly or in part, or may be amended in any respect.

This Committee has been doing very useful work by way of evolving a uniform pattern of the terms of delegation contained in the enabling Acts and improving the methods of publicity to the rules. It has suggested that the rules should be couched in a language which may be easily understood by the public. It has also recommended to the Parliament the observance of certain principles in order to bring about uniformity in the rule making procedure.

## ADMINISTRATIVE ADJUDICATION

### Meaning and Definition

Administrative adjudication means the determination of questions of a quasi-judicial nature by administrative departments or agencies or administrative tribunals specially established for the purpose. According to L. D. White, it means 'the investigation and settling of a dispute involving a private party on the basis of law and facts by an administrative agency.' Dimock defines it as 'the process by which administrative agencies settle issues arising in the course of their work, when legal rights are in question.' The definition given by Dimock is wider than that of L. D. White. According to White, the presence of a dispute or controversy to be decided is an essential feature of administrative adjudication. Dimock uses the word 'issue' instead of 'disputes' and holds that administrative adjudication is possible even in those matters in which there may be no dispute between two parties but which still affects the rights of some individual. For example an application for a licence, which may be uncontested, and therefore, involves no dispute, does involve a decision by the authority granting it concerning the fulfilment by the applicant of the conditions or possession by him, of the qualifications required for the licence.

### Difference Between Administrative Adjudication and Judicial Process

Administrative adjudication is quasi-judicial and thus is distinct from the purely judicial process. The literal meaning of quasi is a 'not exactly', 'seemingly' or 'half-almost'. Quasi-judicial, therefore, means that it is almost judicial but not actually judicial because an order is judicial if it is issued not by a law court but by an administration agency or administrative tribunal and is therefore termed as not a judicial act but an act of administrative adjudication. The following are the points of difference between administrative adjudication and judicial process: (a) Justice in courts is administered according to the formal rules of law, for example, evidence is to be taken in a prescribed way, legal counsels are to be heard according to a set procedure. But administrative adjudication is not guided by definite legal principles, but by certain statutory standards of



'common good', 'public interest' and 'public convenience'; (b) The judge applies the law and is bound by it, while the administrative agency applies 'policy' and has sufficient discretion in doing so; (c) Justice in courts is administered by judges who are independent in their position and cannot be held legally responsible in respect of their judicial functions. The administrative agency, however, has no such protection or immunity; (d) Administrative adjudication is sometimes predisposed in favour of administrative policy and is thus not free from official bias. On the other hand, justice in the court is free from every bias, official or personal; (e) The judge cannot delegate his or her power of justice to someone else. He or she administers justice personally. But in case of administrative adjudication, delegation is possible. For example, a minister may ask the secretary to decide upon brought to him or her; (f) The court gives reasoned arguments for its judgement, while administrative tribunal may simply announce its decision without stating the reasons on which it is based. Some critics, however, believe that apart from the fact that administration justice is administered by administrative agencies instead of regular courts, there is not much else to differentiate it sharply from justice; administrative adjudication should be subjected to similar safeguards which characterise the true judicial proceedings.

## Growth of Administrative Adjudication

The main reasons for the growth of administrative adjudication are as following. The activities of the modern welfare states have increased to cope with which legislation of unprecedented volume has to be made which results in the increase of number of disputes involving highly technical issues in all the spheres —industrial, social, and economics. These disputes could not be fairly and speedily settled by the law courts because, first, the judges were not well acquainted with the technicalities of administration, and second, its procedure was dilatory and costly while the disputes needed speedy and cheap decision. Even a week's delay in the adjudication of an industrial dispute may paralyse the business of the whole country. Law courts are already overburdened with work, and the additional work of wholly a new type would have affected seriously their organisation and working. The judges, preoccupied with the individualistic concepts of the old time law as they are, are unwilling to follow the new spirit of the modern legislation. It is only the administrative agency which can give due weight to the considerations of social or economic policy and appreciate the exigencies of administration.

## Advantages and Disadvantages of Administrative Adjudication

The advantages of administrative adjudication are:

- (a) It is much cheaper and speedy as compared to justice by courts. A mere application without any court fee puts the adjudication machinery into motion. There are no pleadings to instruct, no pleadings to print and no affidavits to swear. The applicant gets not only cheap justice but also justice without delay. The freedom which enables the adjudicators to abandon intricate trial procedure and waive vexatious rules of evidence results in saving of time and quick decision.
- (b) Administrative tribunals that can be manned by officials possessed of special experience and training can give better decisions on issues which require technicalities and specialised knowledge. Judges on the other hand are mostly conservative and hostile to the new socioeconomic policies of administration.
- (c) Administrative tribunals give wide discretion and freedom to adjudicators and they can operate with greater flexibility than the law courts. They are not bound to follow precedents and may break away from a previous ruling for administrative convenience.



(d) The ordinary courts cannot go outside the evidence produced before them by the parties, but the administrative tribunals can make use of sources of information other than the evidence which has been produced before them and thus arrive at good decision.

As regards the disadvantages of administrative adjudication, it is said that it does not inspire public confidence because oral hearing, lack of uniform and settled law of procedure, absence of publicity and secret proceedings all are not in consonance with the principles of fair and natural justice. It is alleged that to rely on unsworn statements, unsupported by verbal testimony subject to no cross-examination, is not a judicial way to reach true facts. The opportunity for adequate judicial review under administrative adjudication is restricted. This may result in miscarriage of justice. The combination of power to make rules, to investigate alleged violations thereof, to prosecute offenders, and to render decision, all in a single agency violates the spirit of the theory of separation of powers.

## ADMINISTRATIVE TRIBUNALS

The system of administrative adjudication has come to stay and the number of administrative tribunals is constantly on the increase in almost all the countries of the world. To some extent, administrative tribunals have become indispensable because of the phenomenal increase in the activities of the state. Besides the power of making subordinate legislation, the legislature has to give to the executive the power of adjudication in disputes that arise in the course of enforcement of policy. The modern welfare states have to embark on new experiments in social welfare and as consequence to these experiments legislation on a large number of subjects is an absolute necessity. Such legislations generally give rise to more litigation, and more restrictions on the liberty of the individual. Sometimes, statutes provide the settlement of such disputes as give rise to litigation by the administrative tribunals with or without the right of the individual to appeal to the law courts. As a natural corollary to this, individual freedom is compromised in so far as it lies at the mercy of these tribunals, which more often than not are manned by expert civil servants. But it is not always that administrative tribunals award unfair justice to the individuals, rather they safeguard, if they are well organised, as in France, individual liberty. In fact, the main aim or object of administrative tribunals is and should be to affect reconciliation between individual freedom and the authority of the administration as promoter of public interest. The administrative authority must as Franks Committee on Administrative Tribunals and Enquiries said, 'satisfy the general body of citizens that it is proceeding with reasonable regard to the balance between the public interest which it promotes and the private interest which it disturbs.'

## Reasons for the Growth of Administrative Tribunals

Administrative tribunals have become a permanent part of the administrative machinery of every country. As the Franks Committee in England pointed out:

The continuing extensions of government activity and responsibility for the general well-being of the community has greatly multiplied the occasions on which an individual may be at issue with the administration, or with another citizen or body, as to his rights, and the post-war years have therefore seen substantial growth in the importance and activities of tribunals. In some cases new policies or regulatory legislation have meant new tribunals...In other cases, tribunals now perform functions previously carried out by the courts...Reflections on the general social and economic changes of recent

decades convince us that tribunals as a system for adjudication have come to stay. The tendency for tribunals is likely to grow rather than diminish.

W. A. Robson observes,

One of the most striking developments in the British Constitution during the past half century has been the acquisition of judicial power by the great departments of state and various other bodies and persons outside the courts of law.<sup>15</sup>

With the extension, during the nineteenth and twentieth century, of the functions of government to one new field after another, with the progressive limitation of the rights of the individual in the interests of the health, safety and general welfare of a community as a whole, with the development of collective control over the conditions of employment, and manner of living and the elementary necessities of the people, there has arisen a need for a technique of adjudication better fitted to respond to the social requirements of the time than the elaborate and costly system of decision provided by litigation in the courts of law.

Administrative tribunals are meant to award socially-oriented justice or public good oriented justice. The law courts apply or interpret law in its most static form. The administrative tribunals mostly go case-by-case and decide with social end in view.

The factors which have contributed to the growth of Administrative tribunals may be discussed as following:

With the increase in the activities of the modern governments the administration has to handle cases of very complex and technical nature. The ordinary courts are not in a position to understand these complexities and technicalities of administration. For example, they cannot exactly understand as to what is 'adequate compensation' or 'a fair rent' or 'reasonable care in driving'. Judges are trained in law which is not administration. In order to decide upon a particular technical case that may come to them, they have to rely on expert witnesses of the subject. But, expert witnesses, as Robson remarks, 'are only too often hired assassins of the truth, and even if they were "just men made perfect", the assimilation of technical facts at short notice through the testimony of another individual is a different thing from a first-hand knowledge of the ground-work based on personal experience of training.' It is, therefore, necessary in the interest of justice that technical and complex issues should be left to be settled by the administrative tribunals.

Modern states are 'welfare states', and in order to promote 'greatest good of the greatest number', legislative acts have to be passed that are sometimes subordinating individual interests to social interest. Administrative tribunals are a means to award a socially-oriented justice which the ordinary courts cannot, because they are meant to interpret and apply law in its most liberal and static form.

Administrative tribunals give quick justice because they are not bound to follow the procedures of ordinary courts. They follow simple and quick procedures to arrive at decisions. They award inexpensive justice. In some cases, even there is no need for legal counsellors. Tribunals can really be called a poor man's boon. They relieve the ordinary courts of law of a great amount of work. In our courts, cases remain pending for years simply because the courts have no time to look to them. Administrative tribunals share their burden and give them relief.

Administrative tribunals are becoming a permanent part of the constitutional machinery of various countries. In the USA, there are many administrative agencies which act in a judicial capacity. These are: (a) Independent administrative courts, such as the Tax Court, Court of Claims, Court of Customs and Patent Appeals. The members of these courts are called judges and perform only adjudicatory functions; (b) Department heads who are empowered to hear complaints and settle disputes; (c) Administrative tribunals within executive departments or special administrative courts such as the Food and Drug Administration

(Health, Education and Welfare) and the Patent Office (Commerce); (d) Independent Regulatory Commissions which exercise quasi-legislative, quasi-judicial and administrative powers.

In UK, there are Industrial tribunals, National Health Service Tribunal, National Insurance Adjudicator, Pensions Appeal Tribunal, Rent Tribunals, Transport Tribunal, etc. In India, some of the important Tribunals are: Income-tax Appellate Tribunal, Railway Rates Tribunal, Labour Courts, Industrial Tribunals, National Tribunals, Wages Boards, Election Tribunals, Central Board of Revenue, Board of Excise and Custom, Central Administrative Tribunal (CAT) etc. It is estimated that about 100 Administrative tribunals, besides about 300 administrative bodies exercising quasi-judicial functions are operating in our country. The construction and functions of a few of these Tribunals may be discussed briefly. These are: The Income Tax Appellate Tribunal, The Railway Rates Tribunal and the CAT.

## THE INCOME-TAX APPELLATE TRIBUNAL

The Income-tax Appellate Tribunal set up by the Income-tax Act, 1922, empowers the central government as per amendment made in 1949 to appoint 'as many members of it as it thinks fit'. A statute passed in 1953 prescribes that a judicial member should be a person who has held a civil judicial post or has been an Advocate of a High Court for at least 10 years and an accountant member should have been in the practice of accountancy as a chartered accountant for at least 10 years but this qualification can be waived if the government is satisfied that a person has other qualifications and is of a character suitable for appointment of the Tribunal.

Formerly, the recruitment was made on the recommendations of the Union Public Service Commission but this practice has now been given up in favour of selection by a special committee constituted by the central government. The Tribunal has the power to hear and decide appeals; to state a case to the High Court on any question of law arising out of the order at the instance of the appellants; to state a case when so required by the High Court in the event of its refusal to accede to the appellant's prayer. It has the same powers as ordinary courts in the matter of discovery and inspection; enforcing the attendance of persons; compelling the production of accounts and documents. It can impose penalty, confirm, reduce, enhance or set aside the assessment or remand the matter to the lower authority. It is the final court of appeal except that on questions of law, an appeal against its decision can lie, first to the High Court, and then to the Supreme Court of India. Its procedure provides for open hearing, representation by counsel and statement of reason for decisions.

The working of the Tribunal has been severely criticised. It is alleged that its approach is not fair, impartial and free from bias. The Law Commission has vividly pointed out its defects as follows:

independence are not being recruited for discharging so heavy a responsibility as that of the final fact finding authority under the new pattern of taxation. There are many complaints that the disposal of appeals by the Appellate Tribunal is very unsatisfactory for a variety of reasons. Often, the judicial and independent approach, which is necessary in the final fact finding authority, is not displayed by the Tribunal. In several cases, the determination of complicated questions of fact and law is done in a very perfunctory manner. Very often, the Tribunal does not clearly record its findings of fact or its reasons for arriving at its findings. In a number of cases, factual or legal contentions raised by the parties are not dealt with at all resulting in applications for rectification being made subsequently...there is considerable delay in disposal of the appeals and very often it

is said that the Tribunal spares very little time for the appellate work with which alone they are concerned. Very often, the members of the Tribunal attend the sitting at any time they choose, thereby not conforming to regular office hours, for the disposal of the work.

To remedy these defects, necessary reforms need to be carried out. Recruitment of members should be made by independent authority like the Supreme Court of India so as to ensure that the right persons are selected, the members should be appointed for a fixed term so as to enable them to work without fear or frown from any quarters; and the Tribunal should work under the control of the Supreme Court to enable it to work more independently.

## THE RAILWAY RATES TRIBUNAL

The Railway Rates Tribunal was constituted in 1949 comprising of three members—one President and two other members—all of whom were persons qualified to be judges of High Courts to deal with certain complaints of undue preferences and unreasonable rates and other minor matters relating to Railway Administration v. Consumers. The Mudaliar Committee set up in June 1955 had observed that it did not work expeditiously and the average time taken per case was roughly eleven months as against three months taken by the British Transport Tribunal and four-and-a-half months taken by the Inter-state Commerce Commission in the USA. It awarded very expensive justice as the parties involved would employ the best legal brains warranted by the legal procedure of the Tribunal.

On the recommendations of the Mudaliar Committee, the Tribunal was reconstituted in December 1957. As at present, the Tribunal consists of a chairman, who, at the time of appointment, is or has been a judge of the Supreme Court, and two other members 'who have special knowledge of commercial, industrial or economic conditions of the country or of the commercial working of the railway.' The appointment is made for a period not exceeding five years, with ineligibility for extension of tenure or reappointment. The powers of the Tribunal have been considerably curtailed after 1957 and it is now limited to adjudication only where complaints are received that: Railway Administration is contravening the provision of Section 28 (prohibiting railway from giving an undue preference to anybody or causing an undue prejudice to anybody); it is charging for the movement of a commodity between specific points by goods trains a rate which is unreasonable; and it is levying a charge (other than a rate) which is unreasonable.

On reference from the central government, the Tribunal can advise in respect of: classification or reclassification of any commodity; fixation of shortage and demurrage charges (including conditions attached to such charges); scale of charges by the Railway administration for the carriage of passengers, and their luggage, parcels, military traffic and traffic in railway materials and stores.

## CENTRAL ADMINISTRATIVE TRIBUNAL (CAT)

The CATs are set up in our country under the Administrative Tribunal Act, 1985 with the responsibility of adjudication of service disputes of civil servants employed in the Government or Corporations owned or controlled by the Government as they could not get speedy and inexpensive justice from the judicial courts, heavily over-worked as they were with backlog of thousands of cases and their time consuming and expensive procedures. Earlier, the Administrative Reforms Commission (1966) had also recommended the

setting up of such tribunals to function as the final appellate authority in respect of government orders inflicting major penalties of dismissal, removal from service and reduction in rank. A committee headed by Justice J. C. Shah (1969) had also recommended that in view of the large number of pending writ petitions of the employees in regard to their service matters, an independent Tribunal should be set up to exclusively deal with the service matters.

The Act provides for the establishment of one CAT and state administrative tribunals (SAT) for each state and a joint administrative tribunal for two or more states. The CAT has its principal bench at Delhi and other benches at Allahabad, Bombay, Mumbai, Kolkata, Chennai, Ahmedabad, Hyderabad, Jodhpur, Patna, Cuttak, Jabalpur, Ernakulum and Chandigarh to adjudicate disputes and complaints with respect to recruitment and other service matters pertaining to the members of the All India Services or other services of the Union. The SATs can be set up by the central government on the request of the state government concerned to decide the service cases of state government employees and they have been set up in Andhra Pradesh, Himachal Pradesh, Karnataka, Orissa and Punjab (where the Act has been passed but it has not come into force as yet).

The tribunals consist of a chairman, such number of vice-chairmen, judicial and administrative members as the appropriate government may decide. The chairman/vice-chairman should have been a judge of a High Court, or a secretary to the government for at least two years in a financial matter, a judge of a High Court, or a member of the Indian Legal Service or a Reader of the Indian Legal Service for at least three years and an administrative member, administrative secretary to the Government of India for two years and a joint secretary or equivalent post for at least three years.

The President of India makes the appointment of chairman and vice-chairman and members of the CAT and in the case of state or joint administrative tribunal in consultation with the governor of the state concerned. But the Chief Justice of India shall be consulted by him while making appointment of chairman, vice-chairman and judicial members of the tribunals. The chairman and vice-chairman hold the office till the age of 65 years and members till the age of 62 years. They can resign on their own or can be removed by the President on the grounds of proven misbehaviour or incapacity after an inquiry has been made by a judge of the Supreme Court, and after giving them a reasonable opportunity of being heard in respect of those charges. Their salaries, allowances and other conditions of service will be determined by the central government and cannot be revised to their disadvantage after appointment.

The Act vests the Tribunals with all the jurisdiction, powers and authority exercisable by all the courts except the Supreme Court of India. There is no hierarchy of Tribunal in India as there is in France and therefore, one cannot appeal against the decision of the Tribunal to an Appellate Tribunal except to the Supreme Court under Article 136 but not as a matter of right, as it is the discretion of the court to grant or not to grant special leave to appeal. The Tribunals have the authority to issue writs. They have the power to regulate their own procedure including the fixing of the time and place of its enquiry and deciding whether to sit in public or private. They are guided by principles of natural justice in disposing of the cases. They also have the power and authority exercised by the High Courts in respect of 'contempt'.

An aggrieved employee makes an application to a Tribunal for the redressal of his or her grievance in a prescribed form with relevant documents and evidence and a fee to be prescribed by the Tribunal but not exceeding Rs 100, after he or she has exhausted all the remedies available under the relevant service rules.

The administrative tribunals have thus proved to be most appropriate, effective, inexpensive and expeditious means of administrative justice. But they suffer from certain disabilities such as, (a) they do not follow uniform procedures which might result in arbitrary and inconsistent decisions; (b) The administrative members may not possess any background of law or judicial work; (c) The absence of any hierarchy in

Tribunals denies an opportunity to the employee against the judgement of a Tribunal; (d) Appointments to the Tribunals are not made for a considerable period, sometimes, for years together, resulting in backlog and arrears of cases causing enormous delay in their disposal.

## ADVANTAGES OF ADMINISTRATIVE TRIBUNALS

The main advantages of the tribunals are:

(a) They award inexpensive, quick and simple justice. They are not bound by the technical rules of evidence and their procedure is characterised by informality and simplicity. Sir Eric Bowyer appearing as a witness before the Franks Committee describes how tribunals work in the simplest way. He said:

The Chairman and two members of the Tribunal were seated at a table...on one side. The claimant and the claimant's friends, who might be trade union members, were seated opposite them, the Insurance Officers on this side; they were all very close together. The question put to the Chairman by the members were addressed in conversational tones. The proceedings were of course controlled by the Chairman. It was quite clear to me that the Chairman, in this case, a lady, addressed herself very much to the task of helping the claimant to make his or her case, in the questions asked. In general it seemed to be completely informal. The public were not there.

(b) They are more flexible, adaptive and responsive to rapidly changing social conditions. Ordinary courts, on the other hand, are more rigid, less elastic and somewhat unresponsive to the changing environments around.

(c) They are necessary for dealing with technical and complex cases. The cases arising under modern regulatory and social legislation often present problems of a novel and non-legal character and it is very essential that subject matter experts should be given the powers to make decisions on such matters.

(d) They give relief to the ordinary courts. The Permanent Secretary to the Lord Chancellor testified before the Franks Committee:

It is plain, I think, that if all the disputes now determined by administrative tribunals had to be transferred to the ordinary courts, such a transfer should necessarily involve the creation of large number of additional judges ....many of the disputes in question do not warrant, at least in my judgement, the services of a highly remunerated judge....I believe that it is essential for the administration of justice as a whole that the Bench should be of the highest possible quality, any proposals for dilution jealously regarded....These are some of the reasons why I believe, with others, that the system of administrative Tribunals as it has grown up in this country has positively contributed to the preservation of our ordinary judicial system.

The main merits of the administrative tribunals may be summarised as affordability of justice, accessibility of claimants, freedom from technicality and subject-matter expertise. In the words of W. A. Robson:

The advantages of administrative Tribunals are...the cheapness and speed with which they usually work; the technical knowledge and experience which they make available for the discharge of judicial

functions in special fields; the assistance which they lend to the efficient conduct of public administration; and the ability they possess to lay down new standards and to promote a policy of social improvement.

Similarly, Blachly and Oatman write:

Administrative Courts not only relieve the ordinary courts of a great bulk of work, but also serve purposes foreign to the latter. One of these is the decision of cases according to law, but by means of particular set of values, in which the public interest is emphasised and old individualistic common law conceptions of legal relationships are minimised, at the same time that the rights of the individual are protected by the fact that the administration is compelled to act within law. The informal and inexpensive procedure before most administrative courts, and the possibility of specialisation either in separate courts or in chambers are generally considered very desirable. Another valuable feature is the securing of information relevant to suit through agencies connected with the administrative courts, thus enabling the decisions to be made on the basis of more complete information than is likely to be obtained from testimony. In view of their distinct advantages over the ordinary court of justice, administrative courts are necessarily and increasingly important part of modern government machinery.<sup>16</sup>

## DISADVANTAGES OF ADMINISTRATIVE TRIBUNALS

Despite the advantages of the administrative tribunals mentioned above, they have been subjected to severe criticism. Lord Hewart called their growth as 'organised lawlessness' and a 'new Despotism'. K. M. Munshi observed that although these tribunals were indispensable in modern welfare governments, the serious problem in democratic welfare state is 'how to invest the justice dispensed by the Tribunals with impartiality, certainty and predictability'. He added, 'As students of administrative law we have to recognise that Tribunals and administrative procedures are essential to modern India. At the same time it would undermine the democratic structure if administrative methods of adjudication are considered convenient alternatives to the courts of law.' The Franks Committee too, does not favour indiscriminate setting up of administrative Tribunals. It observed, 'As a matter of general principle we are firmly of the opinion that a decision should be entrusted to a court rather than to a tribunal in the absence of special considerations which make a tribunal more suitable.' The main points of criticism against administrative Tribunals are:

**They violate rule of law:** It is said that administrative tribunals are the negation of the rule of law which provides that everyone should be equal before law and that no man should be privileged to have a separate code of law for his conduct. But the administrative Tribunals do not regard the parties at dispute as equals.

**They violate the principle of natural justice,** which are: no man should be a judge in his own case; no party should be condemned unheard; and reasons for the decisions must be disclosed to the party involved. The administrative tribunals hardly follow these principles. The quality of their investigation into the question of facts is very poor as they rely on unsworn written statements, even unsupported by verbal testimony; the parties may not be heard in person and the reasons for taking decisions may not be disclosed under the so-called clause of 'public interest.'



**Lack of publicity:** The rules and procedures of the administrative tribunals may not provide for the publicity of proceedings; their reports of the decided cases may not be published; and where published, they may not state the reason for taking the decisions. 'Without publicity', as Robson has said,

It is impossible to predict the trend of future decisions, and an atmosphere of autocratic bureaucracy is introduced by the maintenance of a secrecy which in the ordinary course of events is quite unnecessary. There is no inherent reason why these disadvantages should attach to administrative justice. There can be no objection to permitting the public to attend hearings when they are given or to requiring all administrative agencies which perform judicial functions to publish reports of their decisions, at regular intervals, giving reasoned arguments for the conclusion...In this way it would be possible to obtain a body of informed criticism on the work of the tribunal which would have a beneficial effect not only on those sections of the public coming under its jurisdiction, but also of the Tribunal itself.<sup>17</sup>

**Tribunals are not impartial:** The tribunals do not award fair and impartial justice. Neither the persons constituting Tribunals are trained judicially nor do they have the cold neutrality of a judge. The Franks Committee admitted:

To assert that openness, fairness and impartiality are essential characteristics of our subject-matter is not to say that they must be present in the same way and to the same extent in all its parts. Difference in the nature of this issue for adjudication may give good reason for difference in the degree to which these three general characteristics should be developed and applied. Again, the method by which a Minister arrives at decision after a hearing or enquiry cannot be the same as that by which a tribunal arrives at decision...The Minister...is committed to a policy which he has been charged by Parliament to carry out. In this sense, he is not and cannot be impartial.

**Arbitrary and inconsistent decisions:** The administrative tribunals award arbitrary and inconsistent decisions because they do not follow any uniform procedure of arriving at them. There are no fixed standards which they must follow and apply. The USA has done well by judicialising their procedure under the Administrative Procedure Act, 1946.

**Finality of decisions:** The greatest drawback of administrative adjudication is the finality attached to their decisions with no right to appeal to the ordinary courts. And even if sometimes appeals are allowed, they are from the lower tribunals to the higher one and not to the public law courts. This is manifestly unfair as this practice does not create confidence and faith of the public in the working of these tribunals. The Law Commission of India has also pointed out: 'There is also a vast field of administrative action in which an administrative authority may contravene the law without opportunity to the injured citizen to obtain redress from any judicial authority for the unlawful action of the authority.'

The above defects of administrative adjudication have created hostility in the minds of the general public to the acceptance of administrative justice as part of the constitutional machinery of the country. In view of the failings in the system it is essential that indiscriminate recourse to administrative tribunals should be avoided.

The Committee has observed, 'we are firmly of the opinion that decision should be entrusted to a court rather than to a tribunal in the absence of special considerations which make a tribunal more suitable.' Lord Greene has summed up,



It is only certain classes of questions which are suitable for submission to a special tribunal to the exclusion of the courts. In deciding whether a case falls within these classes, it is relevant to consider the necessity or otherwise of providing speedy and inexpensive procedure; whether the questions likely to arise are predominantly questions of fact, and expert knowledge and experience are desirable for their decision; and the extent to which the jurisdiction is to be based on discretion rather than on fixed rules and precedents. In all cases, there should be a right of appeal to the courts on questions of law. In no circumstance, should the power of the courts to restrain a special tribunal exceeding its jurisdiction be taken away. The unfortunate aspect of the whole issue is that even if judicial review is available against the decisions of these tribunals, it is so strictly restricted that an ordinary citizen, wronged by the decision of the tribunal finds it extremely difficult to steer clear of these restrictions.

In India, though there are several Acts which oust the jurisdiction of the courts, such as The Opium Act, 1857, Explosives Act, 1884, Trade Marks Act, 1940, Mines Benefit Act 1941, Foreign Exchange Regulation Act, 1947, Representation of the People's Act, 1950, and so forth, and seek to make the decisions of the administrative agencies or Tribunals final. But remedies exist under various Articles of the Constitution. Articles 32 and 226 of the Constitution enable the Supreme Court and the High Courts respectively to issue writs for the enforcement of fundamental rights. Article 136 gives plenary powers to the Supreme Court to hear appeals against the decisions or order of any Tribunal in the territory of India excepting those established under armed forces laws. Article 227 confers the powers of superintendence in the High Court over all courts and tribunals within their jurisdiction. These articles are constitutional guarantee to the citizens against the arbitrariness of the executive of any other authority.

## REFERENCES

---

1. Sir Ivor Jennings, 1971, *The Law and the Constitution*, London: University of London Press, p. 217.
2. See, John D. Millett, 1959, *Government and Public Administration*, New York: McGraw-Hill, p. 403.
3. Lecture delivered on 24 January 1962, on 'Administrative Law in a Changing World' at IIPA, New Delhi.
4. *Ibid.*
5. Quoted in John M. Pfiffner, 1946, *Public Administration*, New York: Ronald Co.
6. James Hart, 1956, *An Introduction to Administrative Law*, New York: F. S. Croft and Co., pp. 10–11.
7. See *Times of India*, 20 December 1957.
8. Quoted by Hart, *op. cit.*, p. 22.
9. Ogg and Zink, 1959, *Modern Foreign Governments*, London: George Allen and Unwin, pp. 369–70.
10. L. O. White, 1958, *Introduction to the Study of Public Administration*, New York: Macmillan, pp. 483–84.
11. *Ibid.*, pp. 483–85.
12. Harold J. Laski, 1938, *Parliamentary Government in England*, London: Allen and Unwin, p. 390.
13. Cecil Carr, 1921, *Delegated Legislation*, Cambridge, UK: Cambridge University Press, p. 2.
14. Harold J. Laski, *op. cit.*, p. 351.
15. W. A. Robson, 1951, *Justice and Administrative Law*, London: Stevens and Sons, p. 34.
16. F. Blackly and M. Oatman, 1954, in *Encyclopaedia of Social Sciences*, Volume III, New York: Macmillan, p. 529.
17. W. A. Rabson, *op. cit.*, p. 563.

## Administrative Culture

---

There is a close relationship between culture and behaviour. Culture represents the values cherished by an individual, a society or an institution. These values underline the external conduct, which is reflected as behaviour. The issue of governance in administration in recent times has become increasingly important. It is true that organised society always needs some form of governance.

Generally, the expression *administration* is used in relation to what the government does and the expression *management* is used in the context of business enterprises. Administrative behaviour and administrative culture, therefore, refer to the culture and behaviour of government organisations.<sup>1</sup> Culture and behaviour, as we have seen, are closely related. They are also shaped by a number of factors. Essentially, there are three factors that decide the culture and, consequently, behaviour, namely:

- (a) the values cherished by the individual;
- (b) the values cherished by the society; and
- (c) the systems and procedures, which reflect these values.

Every administrative organisation has a culture, i.e., a persistent, patterned way of thinking about the principal tasks of human relationships within an organisation. Culture is to an organisation what personality is to an individual. Like human culture, generally, it is handed down from one to the next generation and changes very slowly.

The concept of 'organisational culture' or 'administrative culture', though now much in vogue, is half-a-century old. Chester I. Barnard spoke of the 'moral element' in organisation, and the 'moral factor' in leadership. By moral he did not mean merely obeying the law or following the rules, but 'the process of inculcating points of view, fundamental attitudes, loyalties, in the administrative organisation...that will result in subordinating individual interest...to the good of the cooperative whole'.<sup>2</sup>

Therefore, the overall socio-economic and political environment in which the administration works has a direct bearing upon its functionaries. The environment moulds their manner, style, and behavioural patterns, and their aspirations, ethos and values are shaped by them. These in combination constitute what may be called the *administrative culture*.

Administrative culture is a product of peoples' cognitive, perceptive and evaluating orientations towards their administrative system. It also covers the entire gamut of traditional societal, historical and cultural values that influence as well as governs the bureaucracy's own behaviour and its professional norms, such as rationality, impersonality, technology and efficiency. Thus, we are concerned not only with the behaviour and style of accomplishing things by bureaucrats, which give rise to such perceptions and help shape the particular environment in which the bureaucracy and the people interact.

The bureaucracy in India is a product of two different sets of influences: British traditions of the past and the democratic welfare state of the present time. The bureaucracy, treated by the British to maintain the imperialist traditions of a colonial government was a remarkable administrative legacy. However, since Independence, it has been persistently argued that Indian administration has retained the negative aspects of our imperial legacy, and the administrators are maladjusted, lack dedication and tend to be authoritarian. The incompatibility of the 'ICS ethos' with the needs of the present day government is stressed in contrast to the style of developmental entrepreneurs who are not so rigidly tied to notions of bureaucratic states, hierarchy and impartiality.

The first serious inquiry constituted by the Centre was against Punjab's controversial Chief Minister Pratap Singh Kairon, initiated in 1963, that is, during Jawaharlal Nehru's regime. The S. R. Das Commission of Inquiry against Kairon submitted its report in June 1964—shortly after Nehru's passing away. Observing strict judicial standards, Justice S. R. Das indicted Kairon on several counts and found several cases of abuse.

## ADMINISTRATIVE CULTURE: MEANING AND EMERGENCE

The 'culture approach' was first used in social sciences by G. Almond. The seeds of the term 'administrative culture' were sown in the year 1963 when G. Almond and Sydney Verba published their path breaking work *The Civil Culture*.

Administrative culture is a complex phenomenon. It is not easy to identify the parameters and dimensions that constitute administrative culture. Administrative culture may be defined as an accumulated repository of the symbols, beliefs, values, attitudes, norms etc. that governs and shape the administrative system in a society. It comprises beliefs, symbols and values concerning administrative action and behaviour. Scholars have identified four key component variables of administrative culture, namely:

- The administrator;
- The administrator's perception of organisational goals;
- The administrative ecology; and
- The socio-cultural value norms, which give meaning to administrative action and behaviour.

'Administrative culture is an essential concept for understanding administrative behaviour and its evolution but is still in its infancy.<sup>3</sup> Of late, growing attention is being devoted to the subject in literature and professional practices alike. Long-standing administrative practices and patterns of behaviour in a given society could be termed as administrative culture of that particular society. Also any directed change of administrative culture takes long social rather than. 'political time' and space.<sup>4</sup> The behaviour and style of

accomplishing things by bureaucrats which shape the particular environment in which the bureaucracy and the people interact as well as the latter's perception about their administrative system can be termed as administrative culture.<sup>5</sup> It is synthesis of personal and social culture that reflect in the ethos, values and the objective of its organisation.<sup>6</sup>

The administrative culture is a product of the three forces, namely, the administrative personality, time and situation.

The administrator, as an individual and as part of the system, through his manners, behaviour, ways and style, influences the formation of an administrative personality which also shapes the attitude of and motivates that individual. The shaping of his personality is affected by time. It may still persist of even change with the time.

The overall impact of personality and time is on the situation in which the administration functions. Whether it functions effectively and efficiently or ineffectively and inefficiently, depends upon the administrative culture which has a direct reference to various factors such as the laws of the land, rules, regulations, procedures, norms and manners. The style of the administration, on the one hand, depends upon the social, economic and political environment, and on the people of the country on the other. The administrative culture provides a general format within which the administration defines its tasks, and the people responds to the attitude, behaviour, manner and style of the administrative functionaries.

Administration is considered to be an instrument of social change and development. Even after 60 year of Independence, the goal of development and egalitarianism is far from being attained.

Indian administration should have been sensitive to public needs, public opinion and social justice. In keeping with the tradition, the administration proved more committed to the master (politicians) than to the people. Similar was the observation and attitude vis-à-vis the IAS made by Jawaharlal Nehru that 'the sense of public duty has been replaced by the superior claims of personal friendship with the politicians and ministers.' Exceptions to such civil servants who do not appreciate political interference are rare and subject of frequent transfers. Their legitimate claims are denied to them.<sup>7</sup> In the process, the Indian bureaucracy turned feudal and status-conscious resulting in its exclusivity and distancing from the rest. The present, Indian administration has become strongly power-oriented because of its political commitments. Majority of the bureaucrats have turned 'yes men' to their political bosses. This has resulted in a status-based value system of a hierarchical society where the minister is a caste superior and the secretary a caste inferior or retainer.<sup>8</sup> The mass political transfers are routinely accepted by the bureaucrats with least resistance.

In this situation it is difficult to maintain political neutrality or to exercise efficient administration. Free and fearless advice are far from being realised. A tendency is stick to the 'status quo' that has taken roots in the administration rather than acting as an instrument of social change.<sup>9</sup>

## ADMINISTRATIVE CULTURE: A CONCEPT BY F. W. RIGGS

The word 'culture' has so many meanings it invites confusion. According to the recently published *Encarta-World English Dictionary*, it has at least nine different meanings, three of which can be ignored here. They relate to:

- (a) Biology, as in a culture for growing micro-organisms;
- (b) micro-organisms that grow in such an environment; and
- (c) tillage, as when preparing land for growing crops.

The six other senses are all relevant to administrative culture. A summary of each of them follows. To help us distinguish between them, a distinctive term is proposed for each manifestation of administrative culture.

## **The Arts**

Music, literature, sculpture and painting. We may write Culture, capitalized, for this concept and Aesthetic Administrative Culture for the aesthetic products seen in public activities that glorify the achievements of a people and a state—they adorn public buildings, parks, murals and sculptures, and they promote ceremonial music and public festivals.

## **Knowledge and Sophistication**

The result of an excellent education. Preparing humane public officials, such as members of the administrative class, who are capable of integrating and implementing complex policies for the general welfare is an example of Educational Administrative Culture at its best. The tradition of generalist career bureaucracies is as ancient as the Chinese mandarin. It reached India via the British Imperial Indian Civil Service, from where it migrated to the English Administrative Class, and radically transformed the American career civil services.

## **Shared Beliefs and Practices**

The anthological sense of a culture includes all the distinctive attitudes and behaviours of a community. In this sense we may speak of bureaucratic culture, referring to the characteristic life-ways of public officials, including military personnel as well as civil servants. The bureaucratic culture may be seen as one dimension of a total cultural system that exists in a single society or, more broadly speaking, we find patterns of bureaucratic culture that reproduce themselves in many societies where the dynamics of governance by officials generates distinctive cultural features that exist independent of the local cultural system.

## **People Who Share a Culture**

Anthropologists also refer to the community whose members adhere to shared beliefs and practices as a culture. In this sense, bureaucratic cultures pertain to bureaucracies or, more broadly speaking, to societies. Traditional societies normally have a well-established cultural system shared by all the members of the society but modern societies are increasingly heterogeneous, as global forces intrude into and transform their ways of life. In this context, bureaucracies increasingly resemble each other across political boundaries, both because administrative organisations spontaneously produce their own distinctive beliefs and practices, and also because public officials actively borrow and export some of their characteristic features.

## **Shared Attitudes**

In a metaphoric sense, we speak of a group's code of conduct as its organisational culture. The code of silence, for example, is a common attitude of public officials who conceal each other's misconduct, perhaps hoping thereby to escape personal responsibility—we may call it self-protective administrative culture. One way to identify this form of administrative culture is to observe the changes in attitude and behaviour of officials when they are on-duty by comparison with how they act when they are off-duty.

## Improvement

A systematic effort to enhance skills and capabilities as exemplified in programmes of physical culture. Administratively, this can take the form of in-service training and we might understand normative administrative culture as activities that improve the efficiency and quality of public administration through research, education and training. Normative administrative culture results from efforts by political leaders and top bureaucrats to reform (or 're-invent') organisational structure and guidelines in order to achieve more efficiency and responsible governance. No doubt, conscientious public servants also seek to improve their own performance- A case in instance would be the Lal Bahadur Shastri National Academy of Administration, Mussoorie, India (see <http://www.lbsnaa.ernet.in/academy/academy.htm/>). A notable centre for promoting administrative culture is the Ecole Nationale d' Administration, France (see <http://www.ena.fr/>). Similar facilities in other countries also support training and research programmes that promote administrative culture as a normative process. A list of such international facilities can be found at <http://www.iiasiisa.be/schools/aesites/htm/>. This is the web site of the International Association of Schools and Institutes of Public Administration.

In short, the study of administrative culture involves a complex of related but different things. Each of the six senses of culture in the preceding list presupposes internal consistency among its component practices or traits. In the world today, however, overlapping and incompatible cultural systems generate prismatic contradictions and poly-normative conflicts. For the last two or three centuries, industrial imperialism has produced or aggravated these conflicts, but since the collapse of these empires and the termination of the Cold War, globalisation, speeded by the Internet and spreading access to instantaneous communication in cyberspace, has rapidly accelerated the dissemination of modern secular equalitarian norms and systems of democratic governance. These same forces also provoke resistance movements and efforts to preserve indigenous traditions and lifestyles. Prismatic contradiction with many negative consequences has, therefore, become ever more prevalent and conspicuous in the evolution of conflicted administrative cultures in all countries.

## Components of Administrative Culture

The administrative culture of any society is a product of converging as well as conflicting components. Some of them are the following.

The culture of the social formations or class from which administrators are largely recruited would be the *first* component, more so if it is a single cohesive one. In almost all countries of the world, the nature, composition and size of the middle class, from which administrators are largely drawn, determine important elements of administrative culture.

*Secondly*, continuous internal interactions within the administrative apparatus contribute other elements, and they become more important as they are continuous and intense. They constitute the strong element of peer group pressure.

*Thirdly*, the interactions of administrators with their public and political masters determine some other components of culture.

These three components may reinforce, contradict or dilute each other. It is assumed that in a largely gesellschafstised society, they reinforce each other while in the large gemeinschaft societies of 'developing' countries, they may dilute each other producing a mixed (*masala*) administrative culture.

## RIGGS ON ADMINISTRATIVE ECOLOGY: ADMINISTRATIVE CULTURE OF DEVELOPING SOCIETIES

Fred W. Riggs developed certain ideal models to analyse the administrative systems of developing countries. He first used his much published models in 1956, by classifying the societies into Agraria and Industria, that is, agricultural and industrial societies. However, the typology of Agraria–Industria was criticised as having many limitations. So Riggs developed another set of models—the fused-prismatic-diffracted model. Accordingly, in a fused society a single structure carries out various functions. Contrary to this, in a diffracted society separate structures are created to carry out specific functions. But between these two there exist a number of societies, in which the characteristics of both fused and diffracted societies exist side by side. These are called prismatic societies.

According to Riggs, prismatic society has three important characteristic features: (a) heterogeneity; (b) formalism; and (c) overlapping.

A prismatic society is characterised by a high degree of ‘heterogeneity’ which refers to the ‘simultaneous presence side by side, of quite different kinds of system practices and viewpoints’. The coexistence of fused and the diffracted traits are an indication and consequence of incomplete and uneven social change. There are, in a prismatic society, urban areas with a ‘sophisticated’ intellectual class, with offices built in Western style and modern gadgets of administrations. On the other hand, there exist rural areas possessing traditional looks and outlooks with village heads or elders combining various political, administrative and social roles. Formalism refers to the degree of discrepancy or incongruence between the formally prescribed and the effectively practiced norms and realities and the existence of discrepancy between the stated objectives and real performance. Related to heterogeneity and formalism are the characteristics of ‘overlapping’ which refers to ‘the extent to which formally differentiated structures of a differentiated structures of a diffracted society coexist with undifferentiated structures of a fused type. In administrative systems what is described as administrative behaviour is actually determined by non-administrative criteria, that is, by political, social, religious or other factors. Though formal recognition is given to new norms and values which are generally associated with diffracted structure, in reality they are paid only lip-sympathy and are overlooked widely in favour of traditional values associated with undefeated societies.

Prismatic society is characterised by various economic, social, political and administrative sub-systems. Riggs termed the administrative sub-systems as ‘Sala model’. Sala has certain features of diffracted ‘bureau’ and fused ‘chamber’.

In a prismatic society, family welfare, nepotism and favouritism play a very important role in the appointments to various administrative positions and performing administrative functions. In a diffracted society, the considerations of kinship are kept away from administrative behaviour and exercise of governmental power. In a fused society the politico-administrative positions and performing administrative functions. In a diffracted society, the considerations of kinship are kept away from the administrative behaviour and the exercise of governmental power. In a fused society the politico-administrative system has a patrimonial character, and therefore, provides dominant importance to kinship or family. In a prismatic society, on the other hand, besides the superimposition of new formal structures on family and kinship, universalisation of laws is disregarded. The ‘Sala’ officer gives priority to personal aggrandizement than to social welfare. His behaviour and performance are influenced and governed by parochialism, as a result the rules and regulations are not made universally applicable. A few people get more benefits from the government programmers ignoring the interests of a large number of people. Thus, a public official in a prismatic society is likely to develop a greater sense of loyalty towards the members of his own community than towards the government. Sometimes, the Sala develops close relations with particular clefts or starts

functioning like a Cleft itself. As a consequence of this alliance between Sala and Clects, Sala officials profit through kickbacks or rebates.

Thus, ecological models, such as those of Riggs, provide conceptual tools for identifying and analysing the contextual values that motivate administrative behaviour in developing countries. In Riggs' analysis of the prismatic society, the major focus is on the impact of the environment (or administrative culture) on administrative structures.

## COMMON ADMINISTRATIVE PATTERNS IN DEVELOPING COUNTRIES

Potentially the most significant, a political fact of the 20th century has been the closing out of the colonial are and the emergence, in most cases as newly independent states, of the nations of Africa, Asia and Latin America. Despite their differences, all of these countries are caught up in a process of drastic and rapid social change. They all are in transition, they are moving from the traditional towards the modern type. The following five features are indicative of the characteristics of the administrative patterns (culture) found in countries of the developing world.

- (a) The basic pattern of public administration is imitative rather than indigenous.
- (b) The bureaucracies are deficient in skilled manpower necessary for developmental programmes. The shortage is in trained administrators with management capacity, developmental skills and technical competence.
- (c) A third tendency is for these bureaucracies to put emphasis on orientation that is other than production-directed; that is, much bureaucratic activity is channelled toward the realisation of goals other than the achievements of programme objectives.
- (d) The widespread discrepancy between form and reality is another distinguishing characteristic. Riggs has labelled this phenomenon as 'formalism'.
- (e) Finally, the bureaucracy in a developing country is apt to have a generous measure of operational autonomy, which can be accounted for by the convergence of several forces usually at work in a recently independent modernising nation. Colonialism was essentially the rule over bureaucracy with policy guidance from remote sources, and this pattern persists even after the bureaucracy has a new master in the nation.

In brief, for many postcolonial countries colonial legacy has decisive influence on administrative culture. The reform efforts in the post-independent period do not usually produce a substantial change in the inherited colonial administrative culture. System, therefore, fails to demonstrate democratic responsiveness, public service orientation and dynamism. Administration retains its colonial identity of an instrument predominantly of control.

## ADMINISTRATIVE CULTURE IN INDIA

The 5,000 years or more of the known history of India has often proved to be both an asset as well as a liability for the nation. Basically it is a culture rich in traditions and had produced one of the oldest and advanced civilisations of the planet. In course of time, it assimilated the cultures imported from many lands by the successive invaders. It goes to the credit of the flexible Indian culture to have enriched itself



with some of the traits of alien cultures. Many of the invaders, except the British, have stayed back in India, accepting the composite culture of the land. It was the British who brought the strong winds of change that has modified some of the basic values underlying the Indian culture. The modern system of communications is but one of the important developments that have changed the Indian way of life. Along with it is stated the process of industrialisation, scientific temperament and pursuit of material prosperity.

Culture does not change easily. It compels people and their institutions to value certain things, it influences their attitudes and prescribes their behavioural patterns. It creates a strong urge to think and act in a particular way of life. Culture expresses itself in the personality traits of individuals irrespective of the context in which they behave. Some of the basic cultural traits are relatively stable, consistent and difficult to change, while some others get modified with strong environmental forces that influence the society from time to time. Broadly speaking, a traditional and conservative society, like the Indian society, permits its culture to change only when the new attitudes and behaviour bring with them tangible benefits resulting in prosperity, human welfare and happiness. Within a span of one generation, there has been so much change that there exists today a wide variation in the value systems of the senior and the junior members of several families. The administrative system of the country could not escape this impact of change in the cultural setting of the society.

India owes the origin of its contemporary administrative system to the British who had developed it over a period of two centuries. It was a system often described as one of the best in the world in the sense that it had eminently served the purpose for which it was created. The Indian Civil Service literally carried the empire on its shoulders and efficiently managed the few functions entrusted to it. The British administration greatly influenced the social and cultural setup of the country, much more than being influenced by them. The Weberian model eminently suited the interest of the alien rulers. At the same time, the British not only tolerated the feudal elements in the country but even encouraged them as a safeguard against popular upsurge.

India has inherited a conservative, secular and rational system of administration, which successfully steered the country from an authoritarian to a democratic rule. The first generation leaders of free India supported the administrative system as it proved to be a dedicated and powerful instrument, which had efficiently managed the post-war and post-partition problems. At the time of Independence, the Indian bureaucracy approximated to the classical British model with its integrity, impartiality, neutrality and anonymity. The bureaucrats rendered their best advice and never indulged in any politicking. On their part, the political leaders not only tolerated but also encouraged impartial advice and dissent even when it went against their political interests. It was the era of the statement political, who conducted himself with dignity while giving due respect to the civilians working under him.

## DEGRADATION OF THE ADMINISTRATIVE SYSTEM

The relationship between ministers and secretaries necessarily depends upon the form of government the country has opted for.<sup>10</sup> The parliamentary form of government postulates a particular kind of relationship which is unlike that prevailing under the presidential system of government. In a parliamentary democracy a minister is the political head of his department and is required to discharge his responsibilities with constant assistance of the officials of his ministry. Civil servants are permanent, skilled and professionals, who serve any policy or government in power with equal loyalty and devotion.

In India, the relationship between political and permanent executive occupies a pivotal position as on it depends socio-economic development of the country. The political executive not only lays down

public policies, it also defines the tasks of bureaucrats and supervises their implementation. The permanent executive comprises civil servants who are considered to be the vertebrate column of the administration. Normally, ministries take policy decisions and set down the guidelines and general pattern of administration. The execution of those decisions and application of policy guidelines to individual cases is, however, to be left to the civil servants. Senior civil servants of the rank of secretaries by their nothing and otherwise appraise ministers on the basis of their expertise about the various pros and cons of the proposed policy decisions and in process express their preferences. It is this role of secretaries which often puts a strain on their relationship with the ministers.

The problem of adjustment between civil servants and politicians is not, however, entirely new. Since the end of colonial period, there has been a persistent argument that Indian administrators, retaining negative aspects of the imperial policy, are maladjusted, lack dedication and tend to be authoritarian. The incompatibility of the 'ICS ethos' with the needs of the present-day government, is stressed in contrast to the style of development enterprisers who are not so rigidly tied to notions of bureaucratic status, hierarchy and impartiality.<sup>11</sup> Nehru was of the view that no new order can be build up in India as long as the spirit of the Indian Civil Service pervades our administration and our public services.<sup>12</sup>

After independence, new tasks and responsibilities were assigned to the newly constituted Indian Administrative Service (IAS), but with no radical departure from the British administrative traditions. In the course of 60 years of Independence, the IAS has emerged as the elite corps who staff key positions close to the president and the prime minister as well as other high-ranking officials, and are charged with coordinating cabinet policies and formulating administrative projects. The British influence contributed both technically and politically to the development of bureaucracy in India. Technically the bureaucracy in India has emerged as a corporate body of professionals stepped into hierarchy, but also politically acting as power broker between the politicians and the members of society who desire to receive special favours.

In the early days after Independence, critical reactions of civil servants by way of pointing out of limitations and difficulties in pursuing a particular policy were not only tolerated but welcomed by the ministers. Protection against political interference was provided from the top echelons. State chief ministers encouraged young civil servants to stand up and do the right and chief secretaries backed them up. Civil servants were ready to accept final orders and execute them faithfully. M. Subramaniam recalled his tenure as a transport commissioner and the Chairman of the state transport authority, where successive chief ministers encouraged him to dispose of the cases according to law without fear or favour. Politicians attempt to bring in 'Permit raj' by him because of the value attached by the top political bosses to integrity and impartiality in the bureaucracy.

The bureaucrats in India are required to prepare arguments in favour of or against a proposal, but the decision has to be taken by a minister. In this process, they should tender fearless advice. They have to maintain objectivity and have to keep in view the implications of a particular decision. The decisions taken by a minister should be obeyed and implemented faithfully. The tradition in the cities was that the bureaucrats could record their advice without fear, so long as they did not mind being overruled by higher authorities.

The question is whether the bureaucracy can continue to feel safe after giving honest advice, however unpalatable, to the political bosses? M. Subramaniam recalled some instances where he gave fearless advice but never felt threatened, at least in earlier years. He recalled the action taken by him under the Defense of India Rules against a newspaper editor close to a chief minister, and inviting the wrath of the minister. He was expecting to be immediately shifted from the post of a collector but was pleasantly of the political and administrative policy makers. Civil ser...anticipated the wishes of those in authority, however illegal, immoral and incongruous with the basic tenets of administration.

It can be easily identified that after Independence, the political leadership carried an entirely different image of the British Indian Civil service and Administration. ICS officers perceived themselves as the guardians and believed that they were men of superior virtue. Political leadership regarded them elitist and authoritarian. It has also been alleged that the administrators of post-Independence India were as elitist and West-oriented as their counterparts during colonial rule. Therefore, they continued to be alienated from the large mass of the poor of the country and would not possess requisite behavioural characteristics needed to implement the development programmes initiated by the government.

In a parliamentary democracy, a minister enjoys a triple prerogative of posting, of promotion and of suspension. By manipulating these rights, particularly his rights of posting and transfer, he was able to make civil servants bend. C. P. Bhambhri argued that senior administrators have forged alliance with politicians not only to brighten their own career prospects but also to articulate political views and gain a greater share of social resources. This bureaucratic goal was encouraged by the way the Indian economy was managed. Civil servants lost little time in forsaking their professionalism and became pliable and ready to do whatever the ill-motivated ministers wanted.

Honest civil servants are generally not liked by ministers. They are thus sidetracked and find themselves solitary and lonely, occupying peripheral positions in public administration. Those in demand by ministers are, on the other hand, the pliable ones who remain at the beck and call and are prepared to do everything regardless of whether rules and laws of the land warrant them or not.

The Indian administrative system is strongly power-oriented and has, consequently, a distinctly feudal culture. Crawling and cringing before bosses is not a phenomenon which was confined to the emergency era but is a daily phenomenon, and the chief merit of the senior bureaucrats seems to lie in rationalising their bosses' decisions and discouraging their juniors from prelisting too loudly when ethical or even constitutional principles are violated by such decisions. The power orientation of the administrator has also fostered an administrative culture wherein a citizen is perceived as a 'subject' and not as sovereign. Another striking element of the Indian administrative culture is the absence of any sense of accountability among senior administrators.

## Conclusion

In brief, culture is not something to be imported or transplanted. It must grow from within over a period of time.

Administrative culture and its public administration must always be in harmony with each other. Since public administration of a developing country must itself change to cope with change, it follows then that its administrative culture should also show such a change-oriented propensity.

Administrative culture does not change overnight even with revolutions as the aftermath of the historic French and Russian revolutions demonstrated.

## REFERENCES

1. N. Vittal, Central Vigilance Commissioner, 'Administrative Behaviour and Administrative Culture', Talk delivered at the inaugural ceremony of the *Journal of Administrative and Administrative Culture* on 21 October 2002, Shimla.
2. Chester I. Bernard, 1936, *The Functions of the Executive*, Cambridge, MA: Harvard University Press, p. 279.
3. Almond Gabriel and Sidney Verba, 1963, *The Civic Culture*, Princeton: Princeton University Press

4. Dr Renu Srivastava, 2006, 'Administrative Culture of Indian Administrative Services in Uttar Pradesh,' *Quarterly Journal of Administrative Behaviour and Administrative Culture*, 6 (1), January–March.
5. Fernand Braudel, 1980, *On History*, Chicago: University of Chacago Press.
6. R. B. Jain and O. P. Dwivedi, 'Administrative Culture and Bureaucratic Values in India', in T. N. Chaturvedi (ed.), *Contemporary Administrative Culture and India*, New Delhi: IIPA.
7. Lalita Honup, 2000, 'Administrative Culture: An Indian way, in R. D. Sharma (ed.), *Administrative Culture in India*, New Delhi: Anamika Publishing, pp. 6–20.
8. *Ibid.*, pp. 6–20
9. *Ibid.*, pp. 6–20.
10. Shastri, 1956, 'Administrative Heritage of India', *Indian Journal of Public Administration*, 2 (4), p. 350.
11. Paul H. Appleby, 1953, *Public Administration in India: Report of Survey*, New Delhi: Government of India, p. 24.
12. S. S. Tiwana, 'Relationship Between Ministers and Secretaries in India,' Higher Civil Services in India.

## New Public Management

---

The term *public management* denotes the applied side of public administration with emphasis on the management of government business or public affairs with specific objectives, specific accountability, performance measurements and community orientation. It includes an emphasis on the use of modern management tools and techniques, rigorous cost benefit analysis, private participations adaptability and flexibility, social orientation, besides enhancing efficiency, economy and effectiveness.

According to Garson and Overman, public management is not scientific management or administrative science, though it is still heavily influenced by them. Public management is an inter-disciplinary study of generic aspects of public administration that captures the tensions between the rational-instrumental orientations on one hand and political policy concerns on the other. New public management (NPM) has become a very popular concept because of its appeal as an attractive solution to the problems of big and inefficient government.<sup>1</sup>

During the last decade of the 20th century, there has been a remarkable change in the role of government in different societies. The *World Bank Report* (1992) and emergence of a new paradigm, NPM, in public administration have added a new dimension to the concept of governance.<sup>2</sup>

The advocates of NPM propose that government employees form a special group of managers. For transaction-cost reasons, politicians cannot handle all the variants of contracts that NPM requires. Government needs experts who can negotiate, settle and execute the myriad contracts that are forthcoming under the new governmental mechanism replacing the traditional tools of public administration. The special group of managers—that is Political Managers—is technically addressed as Chief Executive Officers.

The term NPM was coined by Christopher Hood in 1991 and used in his paper 'a public management for all seasons' published in *Public Administration* (Vol. 69 Issue-I). This new phase in governance reflects the insertion of management perspective into public organisation.

## NPM: CONCEPT AND MEANING

NPM refers to adoption of new values of governance to establish greater efficiency, legitimacy and credibility of the system. It emphasises the need to redefine relations between the providers of services and the beneficiaries. It advocates efficiency, economy and effectiveness along with flexibility and responsiveness in administration. For this it requires structural changes from rigid, hierarchic, rule-bound bureaucratic form of administration to flexible, sensitive, market based form of public management.

NPM has three constructive legacies for the field of public administration:

- (a) A stronger emphasis on performance motivated administration and inclusion of performance oriented institutional arrangements, structural forms and managerial doctrines;
- (b) An international dialogue on and a stronger comparative dimension to the study of state design and administrative reform; and
- (c) The integrated use of economic, sociological and other advanced conceptual models.

NPM is result-oriented and objective focused. It aims at 3 Es—*efficiency*, *economy* and *effectiveness*. It emphasises on performance appraisal, managerial incentives, output targets, innovation, responsiveness, competence, accountability and market orientation.

NPM aims to achieve a great deal of structural adjustments and a new type of state intervention to seek cooperation and help from community organisations and empowerment of citizens. Broadly, NPM aims at entrepreneurial role of public organisations with a market-based public administration resulting in effectiveness and economy in the functioning of public organisations.

The main approach upon which the NPM doctrine has been built is related to the business/private sector. Thus, researchers have developed a more demanding approach towards public organisations assuming that they can perform their duties better than they used to in the past by changing the management structure and internal organisational cultural strategies.

## COMPONENTS OF NEW PUBLIC MANAGEMENT

### Stress on Performance (3Es)

The first and foremost thrust of NPM is improvement in the performance of administration. It stresses the 3Es: *efficiency*, *economy* and *effectiveness*. Having basic stress on the values of efficiency and economy some authors have labelled the NPM as Neo-Taylorism. In this regard, it may be pointed out that the term public management itself is considered 'better' by some who are of the opinion that it means better tools and techniques, well developed and trained public managers and so on.

### Flexibility and Autonomy

The ingredients included in the list under NPM also include flexibility and autonomy towards the new recipe for better performance or good governance. The advocates of NPM emphasises freeing-up the rules and giving public 'managers' greater flexibility and autonomy as the key factor in improving public sector management. It stresses giving a free hand to the public managers as their counterparts in private sector may have.

## Total Quality Management (TQM)

TQM is a philosophy of administration, a set of principles and a series of quantitative techniques that are designed to continuously improve and if necessary, transform the processes of the organisation from top to bottom so that customers are fully satisfied with organisational products, performance, procedures and people. TQM could be a very effective management tool in refocusing government's mission as servants of the citizenry. This can be achieved by concentrating the resources of public administration on the governmental processes that can be enhanced to deliver higher quality services by stressing the prevention of problems, and by helping public administrations understand that most problems result from faulty systems, not faulty people.

## Client Orientation

The advocates of NPM lay stress upon a kind of public management oriented to the needs of the people or clients. The client focus is, thus, one of the basic components of NPM.

A major theme associated with improving performance is the development of a client focus or service quality initiatives in the public sector. It aims at improving performance in service delivery (timeliness, accuracy, etc.) as well as providing services which meet people's needs. It involves consultation with clients what they want and aspects of services they particularly value. The long term implications of this simple but powerful concept may be significant in terms of the type of decisions which may in the future be made by clients as opposed to elected officials or public servants. Developing customer service has involved a major change in the mind-set in many public sector organisations and all the difficulties in staff motivation and organisation this entails.

## Devolution

The adherents of NPM are of the view that in order to achieve 3Es, flexibility, autonomy and client orientation, there is an urgent need for devolution. Devolution has a number of related elements as given by David Shand, such as:

- (a) devolution of responsibilities to other levels of government;
- (b) devolution from the centre to operating departments, including the setting up of autonomous agencies; and
- (c) devolution with organisations.

In the latter two cases, a significant feature has been the removal of unnecessary prescriptive rules and regulations. Devolution is based on the view that decisions made closer to their actual points of impact and therefore with greater knowledge of likely results are likely to be better decisions.

## Cost and Size Reductions

NPM is all for de-bureaucratisation and large-scale cutting down of size and costs. There is no place for self-aggrandizing bureaucracies and ever growing administrative machinery. The NPM is against the over-administered government with huge bureaucracy which is busy in the collection of revenue and remains busy with itself—aloof from people.

## Performance Contracting

The concept of performance contracting is to a large extent, the other side of the autonomy coin. It involves both an increased emphasis on performance and the development of new accountability instruments. While not normally a legal agreement a performance contract involves mutual undertaking. As such, it may modify old, hierarchical relationships and involve sanctions and rewards and other incentives of both, a personal and institutional nature which is new in a public sector environment. It puts pressure on the performance measurement systems with all the limitations and the attendant possibilities of game playing.

## Privatisation and Contracting System

Privatisation may refer to governments selling off commercial enterprises that have been state monopolies. In some other form privatisation is the government's use of private sector to implement public policies and improve the content and implementation of public programmes. It covers quite a bit of terrain and it is meant to, from the contracting by governments with private sectors for provision of goods and services, to hiring consultants to working with non-profit organisations in delivery of government services, to the creation and management of government corporations. Contracting out as opposed to using governmental personnel permits the government to experiment with policies and new delivery systems. Privatising permits the government to hire specialists and people of unusual talent without bothering about recruitment, training or status.

## The People Dimension

Clearly, the NPM is not just a set of technical measures. It has a 'peoples' dimension. In organisational terms, it implies flatter structures and greater priority on operational units, and broader or less specialised job specifications. It has put greater emphasis on general management or supervisory skill as opposed to technical one, as represented by the now common concept of senior executive services (SES).

## Accountability and Transparency

Last but not the least, NPM carries an effective system of accountability of public agencies or public managers. It seeks to ensure an inbuilt and practical mechanism of accountability and answerability. It stresses performance measurement/performance appraisal or strict quality control. NPM stresses upon substantive accountability and not just substandard accountability by way of routine reports like ACRs.

## FEATURES OF NPM

The following ten principles advocated by Osborne and Gaebler in their book *Reinventing Government*, can be a roadmap in designing a government on the broad principles of New Public Management:<sup>3</sup>

- (a) **Catalytic government:** The government should also concentrate on catalyzing the public sector, private sector and voluntary /non-governmental sector towards resolution of societal problems and not just on providing services.



- (b) **Community-owned government:** The government should strengthen and empower the citizens, families, and communities to solve their own problems. Hence, the government should take out various services from the control of bureaucracy.
- (c) **Competitive government:** The government should inject competition among different providers of goods and services by rewarding efficiency and economy. This increases performance and reduces cost.
- (d) **Mission-driven government:** The government should be driven by its goal and not by its rules and regulations. In other words, it involves transforming rule-oriented government into goal-oriented government.
- (e) **Result-oriented government:** The government should find outcomes (results) by encouraging target achievement and mission-directed efforts. It should measure the performance of its agencies mainly in terms of outcomes and not inputs.
- (f) **Customer-driven government:** The government should regard the clients as customers. It should meet and work towards customers and not bureaucracy. It involves offering them choices, surveying their attitudes, making services convenient and allowing them to make suggestions.
- (g) **Enterprising government:** The government should emphasis on earning money rather than spending. It should put its energy into resource mobilisation by using fees, savings, enterprise funds and so on.
- (h) **Anticipatory government:** The government should identify and prevent problems rather than cure them after they occur. Thus, the government should prevent the needs from arising in the first place and not just deliver services to meet ends.
- (i) **Decentralised government:** The government should decentralise authority, that is, disperse authority from higher to lower levels. It involves a shift in working pattern from hierarchical control to participatory management and teamwork.
- (j) **Market-oriented government:** The government should opt for market mechanism rather than bureaucratic mechanism. It should achieve goals not only by control and command but also by restructuring market.

## CRITICAL EVALUATION

Many of the concepts, paradigms and assumption of the traditional public administration are repudiated and rejected by public management. NPM accepts market as the model of government and idealises the values and techniques of private administration. This makes NPM open to criticism:

- (a) NPM fails to take account of the real politic of government. The core of a modern government lies in its observance of the rule of the law, not market-driven mechanisms.
- (b) NPM, however, must not be confused with New Public Administration (NPA). NPA of the 1960s emphasises the positive face of public administration including public service while NPM discourages career bureaucracy; it promotes bureaucrat-bashing, and at best assumes that bureaucrats are good people trapped in bad system.

(c) NPM stands for an uncritical acceptance of even the negative features of private management. It shows complete ignorance of the attributes which are the distinguishing marks of public administration and shows complete insensitivity to the concept of public interest, the hallmark of public administration. It cares little for administrative ethics in running public affairs. It shows complete unawareness of the attributes which are required for running public affairs.

(d) NPM tends to overlook the fact that the major problems in public administration are ultimately due to political analysis. It oversimplifies public administration offering in the processes over. Simplified solutions to problems which are complex and intricate in nature.

(e) NPM is also criticised for distancing the political executive from the implementation aspects of public administration. Under NPM, political executives are to lose control over the implementation of their policy as a result of managerial reforms. So as to resolve the problems loss of central over policy implementation raised by managerial reforms put in place under NPM.

(f) The trend towards NPM observed in public administration is not without criticism. The influx of private sector language must not neglect the values inherent in public administration. NPM propounds an alternative to the state-in the form of the market. NPM boldly recommends privatisation and all that it implies. It recommends growing application of management techniques.

## SUGGESTIVE MEASURES

### Matching the Role of the State to its Capability

In general the state should do what it is capable of. But diluting the state role cannot be the end of the reform story. For human welfare to be advanced the state's capability—defined as the ability to undertake and promote collective actions efficiently, must be increased. The capability of state could be raised by reinvigorating public institutions.

### Steps Needed to Reinvigorate Public institution

**(a) Establishing a foundation of law:** The first and foremost requirement in India is rule-based compliance. All the law and rules should be enforced without any distinctions in terms of wealth or power. This requires that the rules should be clear and transparent and they should be enforced impartially, effectively and quickly through an efficient judicial system. Legislating is usually easier compared to fair enforcement and implementation.

**(b) Maintaining undistorted policy environment:** For government's credibility the predictability of rules and policies and the consistency with which they are applied are very important factors in attracting private investment. Weak and arbitrary state institutes often compound the problem with unpredictable and inconsistent behaviour.

**(c) Giving people a voice:** Greater information and transparency are vital for informed public debate for increasing popular trust and confidence in the state. Users need to be involved in planning and supervision. There are clear evidences that government programmes work better when they seek the participation of potential user.

**(d) Subjecting the State to more competition:** The government can improve their capability and effectiveness by introducing much greater competition in variety of areas in hiring and promotion, in policy making and the way services are to be delivered.

**(e) Boosting competition within the civil service:** The recruitment in civil service should be based on merit, not favouritism and there should be a merit-based promotion system.

**(f) Strengthening watchdog institutions:** For government reforms to succeed, it is necessary that watchdog institutions like the Judiciary, Press, Comptroller and Auditor General Institutions of Lokpal and Lokayukta are properly strengthened so they can ensure proper vigil on the government service delivery.

**(g) Bringing accountability through transparency:** Most of the government departments lack accountability due to non-transparent way of working. It is necessary that the Right to information Act be so implemented strictly so the citizens have right to access information in all the public offices.

**(h) Effective Regulations:** Well-designed regulatory system can help societies influence market outcome for public ends. Regulation can protect consumers, workers and the environment. It can foster competition and innovation while constraining the abuse of monopoly power. Due to regulatory reforms initiated in the 1980s, Chile's telecommunication industry has enjoyed sustained private investment increasing service quality and reducing prices.

**(i) Sequencing reforms:** All the reforms should not be initiated at one go. In place of this we should proceed with caution. Giving public managers more flexibility may increase arbitrariness and corruption with no commensurate improvement in performance. Hence step-by-step reforms should be undertaken.

**(j) Strengthening database:** For performance monitoring and evaluation correct data and management information system is essential.

**(k) Combating corruption:** A major thrust should be to reduce the opportunity for corruption by cutting back on discretionary authority. Policies that lower controls on trade remove entry barriers for private industry, privatise state firms in a way that ensure competition—all of these will fight corruption. The renowned expert klitgart has rightly said that corruption is equal to monopoly plus discretion minus accountability and transparency. Hence we need to cut monopoly and discretion and increase accountability and transparency and discretion and increased accountability and transparency.

**(l) Strengthening democratic decentralisation:** We have strengthened local bodies in true spirit of 73rd and 74th Constitutional Amendment Acts to enable them to work as institutions of self-government.

## CONCLUSION

It can be concluded that customer focus, autonomy and performance contracting appear to be promoting a new spirit of innovation in public service managers. Clearly, the NPM is not just a set of technical measures; it has a 'people' dimension. Under the NPM, public sector decision-making structures are so designed as to let managers manage. Indeed, the NPM has exposed the over-protected 'bureaucracy' to

models of management, which, if carefully adopted, can bring about improvement in classical style of public administration. Thus, the influence of NPM and reinventing government has been quite significant. The extent of this influence can be seen in the emergence and acceptance of several new terms in public administration literature and practice which have a prominent place in the agenda of public sector reformers, who are in favour of good governance. The policies of developed and developing countries are being increasingly influenced by NPM and reinventing of government prescriptions. One of the direct outcomes of the impact of NPM and reinventing government initiatives is that the role of public administration has been propelled to undergo significant transformation in many developed and developing countries. Consequently, responsibilities of public administration as well those of the executive branch of the government are being confined to facilitating, leading and catalysing changes to achieve more with limited financial resources and fewer personnel.

## REFERENCES

---

1. David Garson and Sam Overman, 1983, *Public Management Research in the United States*, New York: Praeger Publishers, p.3
2. David Shand, 1998, 'New Management: Challenges and Issues in International Perspective', *Indian Journal of Public Administration*, July-September, pp. 714-21.
3. David Osborne and Ted Gaebler, 1992, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*, New York: Addition-Wesley, p. 12

## Good Governance

---

Simply put, ‘governance’ means the processes by which decisions are made, and implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. Since governance is the process of decision making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision making and implementing such decisions, and also on the formal and informal structures that have been set in place to arrive at and implement the decision. The concept of ‘good governance’ is not new, but it is a developing subject. Being a dynamic concept, it has gained wide popularity in recent times. It ensures goodness in governance and raise in the level of governance. Good governance ordinarily means looking after the welfare of society. According to Asmerom, ‘Good Governance is associated with efficient and effective administration in a democratic frame-work’.<sup>1</sup> John Healey and Mark Robinson have defined the concept as a high level of organizational effectiveness in relation to policy-formulation and the policies actually pursued, especially in the conduct of economic policy and its contribution to growth, stability and popular welfare.<sup>2</sup> Good Governance also implies accountability, transparency, participation, openness and rule of law. It does not necessarily presuppose value judgment; for example, healthy respect for civil and political liberties. Pai Panandikar visualises good governance as it pertains to a nation-state which handles people to lead peaceful, orderly, reasonable, prosperous, participatory lives.<sup>3</sup>

### WHAT IS GOOD?

The term ‘good’ has been derived from the word ‘God’, which is related to the knowledge of the Idea of God. In Greek theory, it means the knowledge of that absolute power which is supreme and the foundation of all material things. In other words, the word ‘good’ carries an innate sense of judgment—what is

right, what is wrong; what is just, what is unjust; what is moral, what is immoral, etc. So, when a judgment of deed is just, right, fair or moral, it is known as good. In the context of good governance it means right or moral deeds performed by those who exercise authority in public interest. Now the question arises—what is public interest?

Public interest means an aggregation of the interest of many, if not of all. This comes closer to the Western thinking represented by Bentham—'the greatest good of the greatest number'. On the contrary, the Hindu concept of 'common good' is more comprehensive and justified as it emphasizes on *sarva* (all and everyone) instead of *bahu* (the greatest number). Thus, when we explain the term in Indian context, it means an action or a deed, which is beneficial to an individual and not to the majority of the people. Good governance means such judgement or actions of those engaged in the process of governing which aim at the welfare of all.

## GOVERNMENT AND GOVERNANCE

In the most common sense, government consists of a group of individuals who share a defined responsibility for exercising power. In this sense, the definition refers to cases where the government is sovereign as well as to those where it is not so. But in case of a sovereign government with defined responsibility taking the shape of its legitimacy in the sense of the sanctioned right to exercise power on behalf of others by means of decision making, the concept turns out to be a government being a group of individuals exercising legitimate authority, and maintaining, protecting and adapting the society by making and carrying out decisions along with exercising a practical monopoly of coercive power.

Government is the manner in which authority, control and power of government is exercised in mobilising a society's economic and social resources to address the issue of public interest. It is the art of giving associated with the exercise of authority within specific jurisdiction, and is embedded in the structure of authority. Good governance is characterised, among other things, by predictable, open and enlightened policy making. This can be secured through sound, responsive and competent administration, respect for basic human rights and values, strengthened democratic institutions, and effective institutional framework to ensure accountability and transparency.

As a process, governance may operate in an organisation of any size: from an individual human being to all of humanity; it may function for any enterprise—good or evil, profit or otherwise. A reasonable or rational purpose of governance might aim at assuring that an organisation produces a worthwhile pattern of good results while avoiding an undesirable pattern of bad circumstances.

A good government consists of many inter-related positions exercising coercive power that assures, on behalf of those governed, a worthwhile pattern of good results while avoiding an undesirable pattern of bad circumstances, by making decisions that define expectations, grant power and verify performance. Politics provides a means by which the governance process operates. For example, people may choose expectations by way of political activity. They may grant power through political action, and judge performance through political behaviour. Conceiving governance in this way, one can apply the concept to a large a nation-state as desired, to corporations, to non-profit to non-governmental organizations (NGOs), to partnerships and other associations, to project teams, and to any number of people engaged in some purposeful activity.

## GOVERNANCE: MEANING AND DEFINITIONS

Governance involves decisions that define expectations, grant power or verify performance. It consists either of a separate process or of a \* specific part of management or leadership processes. Sometimes people set up a government to administer such processes and systems. In case of a business or of a non-profit organization, governance develops and manages consistent, cohesive policies, processes and decision-rights for a given area of responsibility. For example, managing at a corporate level might involve evolving policies on privacy, internal investment, and the use of data. The word governance derives from Latin origin that suggests the notion of 'steering'. One can contrast this sense of 'steering' a group or society with the traditional 'top down' approach of governments 'driving' society. Distinguish between governance's 'power to' and governments' 'power over'.

The World Bank Document entitled 'Governance and Development' defines governance as the manner in which power is exercised in the management of a country's economic and social resources for development.<sup>4</sup> Good governance is synonymous with sound development management. The term governance, as generally used, encompasses all aspects of the way a country is governed, including its economic policies and regulatory framework. Corruption is a narrower concept, which is often defined as the abuse of public authority or trust for private benefit governance. The two concepts are closely linked: an environment characterised by poor offers, greater incentives and more scope for corruption. Many of the causes of corruption are economic in nature, and so are its consequences; poor governance is clearly detrimental to economic activity and welfare. Open, democratic and accountable systems of governance, based on respect for human rights and the rule of law, are preconditions for sustainable development and robust growth. Governance basically includes:

- (a) voice and accountability, which includes civil liberties and political stability;
- (b) government effectiveness, which includes the quality of policy making and public service delivery;
- (c) the quality of regulatory framework;
- (d) the rule of law, which includes protection of property rights;
- (e) independence of the judiciary;
- (f) cribbing corruption.

Governance can be defined as the exercise of political authority and the use of institutional resources to manage problems and affairs of the society., An alternate definition sees governance as the use of institutions, structures of authority and even collaboration to allocate resources and coordinate or control activity in society or the economy.

## GOOD GOVERNANCE: EMERGENCE OF THE IDEA

In the past few decades, a large number of political leaders, academicians and public functionaries of the Third World countries have been discussing the ways of governing their societies efficiently and effectively. They have advocated different forms of political and administrative systems and methods of governance to reconcile the interest of the citizens within that of the role of State. The debate that has begun entails many innovative ideas of changing the old patterns of administrative culture and replacing them with modernist

culture and ethos of development-centered administration. It has brought to the fore the basic ingredients of 'goodness' in government. Further, the concept of goodness has come to mean what Bentham had said long ago: 'the greatest good of greatest number'. Admittedly, this concept of goodness is one that political philosophers in many of the Third World countries have discussed and debated in their writings. Viewed against this backdrop, the concept of good governance is not something that the 'people' and the governments in the Third World countries did not know.

Good governance is not just a term of recent origin, currently used in Third World countries, it actually exists in these countries. Despite its popularity and wide currency, the concept entails ambiguity and a bewildering variety of meanings and conceptualizations. Differently put, it means anything to anybody depending on one's perception of what is good and for whom. Understandably, it is equated with a wide range of ideas not always consistent with one another. For some it may mean less government and for some others it may mean more government.

This conceptual confusion notwithstanding, the majority of 'informed' people in the Third World countries think that good governance means a system where the administration is effective, credible, legitimate, citizen-friendly and people-sharing; a system which is free from administrative vices and dysfunctionalities. This public view of good governance derives feasibility, over-feasibility and malfeasibility. In many Third World countries, the democratic form of government has proved to be ineffective for checking swindling of public funds for private gains by elected leaders as well as by bureaucrats and other public servants. Misuse of power, fraud, chicanery and embezzlement of funds are systematically perpetrated by government leaders and their followers. The concept of good governance has become attractive as a remedy for all ills that the polity is plagued with.

## GOOD GOVERNANCE: MEANING AND DEFINITIONS

Good governance is supposed to exist if three objectives are achieved. First, there should be quality of law and effective implementation of laws. Second, there should be opportunity for every individual to realise his full human potential. Third, there should be effective productivity and no waste in any sector.

Kautilya says in his Arthashastra: 'In the happiness of his subject lies the king's happiness, in their welfare his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subject.'

The Concise Oxford Dictionary defines it as an 'act or manner of governing' and 'the office or function of governing' a state, or provincial governance or local governance. It is recognized that governance is about how an organization steers itself and about the processes and structures that are used to achieve its goal.

Andrian Leftwich gives three defining features of good governance:

- (a) to promote open, market-friendly and competitive economy;
- (b) democratization; and
- (c) improvement of human rights record.

The World Bank, for the first time in 1989, highlighted the concept of good governance. By good governance it meant sound public management. In this context, it identified four dimensions:

- (a) public sector managements;



- (b) accountability;
- (c) legal framework for development; and
- (d) information and transparency.

In 1992, the bank's document, 'Governance and Development' said: 'Good governance is central to creating and sustaining an environment which fosters strong and equitable development and it is an essential complement to sound economic policies.'

Minocha quotes World Bank guidelines and more operationally defines its criteria as 'political accountability, availability of freedom, law abiding, bureaucratic accountability, information available transparently, being effective and efficient and cooperation between government and society'.<sup>5</sup>

Good governance has been defined sometimes in terms of goals, sometimes in terms of means, sometimes left entirely to democratic choice of goals, and sometimes with pre-ordained goals. Vivek Chopra defines good governance as unambiguously identifying the basic values of society and pursuing these.

Peter Drucker draws our attention to his concept that governing is not doing, it could be inducing or making it easy for others to do.

## WHY GOOD GOVERNANCE?

The Human Development Report 2002 has identified a few reasons for having good governance. However, they are mainly describing the features of good governance. From the perspective of human development, good governance is the same as democratic governance. Democratic governance means:

- (a) people's human rights and fundamental freedoms are respected, allowing them to live with dignity;
- (b) people can hold decisions, which are accountable;
- (c) private and public spheres of life and decision making. The needs of future generations are reflected in current policies.
- (d) economic and social policies aim at eradicating poverty and expanding the choice that all people have in their lives.

## GOOD GOVERNANCE: THE WESTERN SCENARIO

In modern Western sense the term 'good governance' is of recent origin, emerging as it is in the post-Cold War era. It was in 1989 that the concept was highlighted for the first time in a World Bank document on sub-Saharan Africa. According to it, good governance meant sound development management. It is identified with the following indicators of good governance:

- (a) **Participation:** Participation by both men and women is a key cornerstone of good governance. It could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in the society would be taken into consideration in decision making. Participation needs to be informed and organised. This means freedom of association and expression on the one hand and an

organized civil society on the other. Rule of law of good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

**(b) Transparency:** Transparency means that decisions are taken and their enforcement done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who could be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

**(c) Responsiveness:** Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe and adhere to the concept of response + ability, that is, responsibility in its letter and spirit.

**(d) Consensus-oriented:** There are several actors and as many viewpoints in a given society. Good governance requires mediation of different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

**(e) Equity and inclusiveness:** A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of the society. This requires involvement of all groups, but particularly the most vulnerable have opportunities to improve or maintain their well being.

**(f) Effectiveness and efficiency:** Good governance means that processes and institutions produce results that meet the needs of the society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

**(g) Accountability:** Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and the civil society organizations must be accountable to the public and to their institutional stakeholders. Accountability varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general, an organization or an institution is accountable to those who would be affected by its decisions or actions. Accountability cannot be enforced without transparency and rule of law. It is claimed as one of the advantages of good governance, how would this be ensured? Traditionally, in a parliamentary system, political accountability of the executive is to the voters through elected assemblies. Administrative and legal accountability of the executive branch is through administrative procedures and law courts. But if decision making and implementation is now to be shared with private interests, it may become difficult to fix political responsibility.

**(h) Contestability:** Contestability is about using competition to achieve value for money in service delivery. There is greater evidence to suggest that services provided by the public sector are more expensive than those provided by the private sector. Contestability means choice in the provision of services through open competition between potential providers.

So according to Western concept good governance is associated with efficient and effective administration in a democratic framework. It is an administration, which is citizen-friendly, citizen-caring and responsive. Good governance and management requires clarity about responsibilities, access to information about how the government works and using competition to achieve value for money in service delivery. The elements of accountability, transparency and contestability are required to be reflected in the governance and management structures and processes of the organisations. Thus the test of good governance lies in the goals and objectives of a government in its policies and programmes.

## GOOD GOVERNANCE: INDIAN SCENARIO

To explain good governance in the Indian context, we should know the meaning of the word 'good'. This word is derived from the word 'God', which means an ability to distinguish between right and wrong, just and unjust, fair and foul, right and wrong, moral and immoral. A judgment is good if it is just, fair, right and moral. In the context of good governance, it is so if it is taken in the public interest and serves the public interest. What is public interest? It is the interest of the largest number of people, even if it is not all the people. Bentham described it as the greatest good of the greatest number while in India we believe in '*Sarva jana heath, sarva jana sukaiah*', which implies welfare of all and happiness of all. Thus good in the context of good governance means those decisions, policies and actions which aim at the welfare of all. Because of a generally implied orientation of the people in favour of a democracy, defined as a government of the people, by the people and for the people, the 'good', or 'welfare' or 'interest' of people. The statement of Aristotle that 'the state came into existence for life but continues to exist for good life' expresses the Indian concept of good governance assumed to be the necessary and sufficient condition of governance and its legitimacy. In ancient Indian thought, Kautilya, the great scholar, dwelt upon some important parameters of good governance in his famous treatise *Arthashastra* that can be summed up as follows:

- (a) The king should be the servant of the state. He must merge his individuality with his duties. He should consider his welfare and happiness in the welfare and happiness of his subjects.
- (b) The king should be just and honest. He must have the knowledge to apply *dand niti* to control the worst impulses of men but *dand* should be applied with justice.
- (c) Maintenance of law and order is another important indicator of good governance. Kautilya says that the chief duty of a king is to maintain law and order, that is, to protect the life, liberty and property of citizens.
- (d) According to Kautilya, the salaries and allowances of all public servants, including the king, should be fixed and reasonable.
- (e) The king should follow a disciplined life and an elaborate code of conduct.
- (f) To ensure people's welfare, which is the objective of good governance, there must be properly guided public servants or bureaucracy. There should be a clear code of conduct to control bureaucracy.

So far as Kautilya's indicators of good governance are concerned, these may be summed up as limited government, rule of law, properly guided bureaucracy, disciplined rulers, having fixed salaries and allowances, maintenance of law and order, and curbing corruption in administration and uniformity in administration. All these are still relevant as they used to be in ancient India.

## CONSTITUTIONAL PROVISIONS FOR GOOD GOVERNANCE

The tests of good governance lie in the goals and objectives of a government, in its policies and programmes, in the manner of their execution, in the results achieved and, above all, in the general perception of the people about the quality of functioning of its various agencies, their attitudes and behaviour towards the public, their sincerity, honesty, and commitments towards public duties. It is *also* important to see that there is no undue concentration of power.

### The Preamble

The ‘Preamble’ to the constitution broadly reflects the goals and ideas the Indian state should pursue for the well being of its people.

The most important goal is ‘to secure to all its citizen justice—social, economic and political’ (Minocha 1997: 96)<sup>5</sup>. This, in fact, summarises the very purpose of any good state. The several aspects of this goal and the way to achieve them have been more explicitly spelt out in Part IV of the constitution containing the ‘Directive Principles of State Policy’ (Articles 37 to 51). Article 37 says that these directive principles, though not enforceable by any court of law, ‘are nevertheless fundamental in the governance of the country and it shall be the duty of the State to apply these Principles in making laws’.

Article 12 defines ‘the State’ to include ‘the Government and Parliament of India and the government and the Legislature of each of the states and all local or other authorities within the territory of India or under the control of the Government of India’.

### Fundamental Rights

While pursuing the socio-economic objectives as mentioned in the previous section, the many valuable fundamental rights guaranteed by the constitution to all citizens also need to be protected. These rights include freedom of speech, expression, association, profession, movement, belief and faith, equality before law, non-discrimination on grounds only of religion, race, caste, sex, or place of birth, and equality of opportunity in matter of public employment. The government has also to respect the dignity of the individual and promote national unity. Thus in assessing the quality of governance, the means employed and the results achieved in fulfilling the objectives have to be the real criteria.

### Directive Principles of State Policy

All the agencies of the State as mentioned before in this chapter have to play their respective roles in implementing the various directive principles of State policy. Some of these directives require the State, by way of good governance, to ensure:

- (a) a social order for the promotion of welfare of all the people [Article 38(1)];
- (b) minimization of inequalities in income and elimination of inequalities in status [Article 38(2)];
- (c) the right to adequate means of livelihood to all men and women [Article 39(1)];
- (d) the operation of an economic system to prevent concentration of wealth in a few hands [Article 39(c)];

- (e) equal pay for equal work for men and women [Article 39(d)];
- (f) protection against abuse of health and strength of workers and the tender age of children [Article 39(f)];
- (g) the right to work, to education and to public assistance, in cases of unemployment, old age, sickness and disabilities [Article 41];
- (h) that village panchayats be organized as units of self-government [Article 40];
- (i) just and humane conditions of work and maternity relief [Article-42];
- (j) living wages for workers to ensure decent standard of life and adequate leisure [Article 43];
- (k) free and compulsory education for all children below 14 years of age [Article 45];
- (l) higher level of nutrition and public health [Article 4].

## GOOD GOVERNANCE: SOME PRACTICAL EFFORTS IN INDIA

Since independence, there have been significant efforts to bring about structural and behavioural changes in the administrative setup to fulfill the aspirations of the people and to bring about good governance.

- (a) A. D. Gorawala, in his report of 1951, pointed out that a clean, efficient and impartial administration was the first condition to the success of a democratic government. So there should be re-organization of the administrative machinery to ensure speedy, effective, and responsive administration.
- (b) In his report for the training of IAS officers, T. T. Krishnanmachari made suggestions, for improvement in the district level administration.
- (c) In 1983, the Economic Reforms Commission under L. K. Jha advocated the need for accountability so that greater importance is given to performance than and not to mere adherence to rules and procedures.
- (d) In 1954, Ashok Chanda suggested ways to remove delay in the execution of projects.
- (e) In the conference of the Chief Secretaries, held on 20 November 1996, the need for urgent efforts in this direction was realised. It was realised there was a crisis in Indian administration, and hence the need for urgent efforts in this direction. In the agenda note entitled 'For an Effective and Responsive Administration in India', it was admitted that the public image of the bureaucracy was one of the inaccessibility, indifference, procedure, procedure orientation, poor quality and sluggishness, corruption proneness and no accountability for results'. The need of the hour was, therefore, 'to ensure to the people of India an efficient, open, responsive, clean, accountable and dynamically adjusting administration at all levels. Very significantly, the conference recognized that 'governance has to be extended beyond conventional bureaucracies to involve active citizens and consumer groups at all levels, to empower and inform the public and disadvantaged groups, and to ensure service delivery and programme execution through autonomous elected local bodies'.

(f) Right to Information Act, 2005, and National Rural Employment Guarantee Act, 2005, are efforts in this direction.

(g) The second Administrative Reforms Commission has been constituted for overall systematic reforms in the system.

## GOOD GOVERNANCE AND NEW PUBLIC MANAGEMENT

The twenty-first century is witnessing radical change in the nature and role of public administration. The classical public administration, based on Taylor's Scientific Management and the Weberian model of bureaucracy do not seem to fulfill the desired expectations of a changing society. The development of New Public Administration (NPA) and Development Administration has given a new orientation to public administration. It has resulted in significant changes and improvement in managing public organisations. The proponents of the concept of 'reinventing government' have motivated the scholars of public administration all over the world to have a relook and then re-assess the present system of the machinery of government which, by and large, has failed to invoke optimum people's participation in the governance process and provide social justice to all sections of society. The traditional model of public administration has passed through a turbulent phase. Bloated and inefficient bureaucracy, alienation of the citizenry from administration and resource crunch faced on a sustained basis has further sharpened inadequacies of the traditional model to deliver goods. Social science literature in general and the literature of Public Administration, Economics, Political Science and Management in particular have come up with alternative models of public administration. New Public Management (NPM) has emerged as one of the leading models in that series. David Osborne and Ted Gaebler have listed ten principles of reinventing government, which later on became the sound base of NPM. These principles are as follows:

- (a) catalytic government: steering rather than rowing;
  - (i) community-owned government: empowering rather than serving;
  - (ii) competitive government: injecting competition into service delivery;
  - (iii) mission-driven government: transforming rule-driven organizations;
- (b) result-oriented government: funding outcomes, not inputs;
- (c) customer-driven government: meeting the needs of the customer, not the bureaucracy;
- (d) enterprising government: earning rather than spending;
- (e) anticipatory government: prevention rather than cure;
- (f) decentralized government: from hierarchy to participation and teamwork;
- (g) market-oriented government: leveraging change through market.

Public administration 'constantly changes with changes in the philosophy of state, objectives of governments and values of people. It is a dynamic apparatus State, not a static instrument'. The new model of administrative system is known as New Public Management. It lays the foundation of the concept of good governance and has aimed at the entrepreneurial role of public organizations with a market-based administration, resulting in effectiveness and economy in the functioning of organizations. It is believed that the goals of good governance can be achieved through application of the principles of New Public Management.

## GOOD GOVERNANCE: THE ROAD AHEAD

Governance needs to be strengthened by vigorously pursuing the initiatives envisaged in the constitution in regard to the executive system, functional domain, intra-city decentralization and authority to the governments to set their own tax rate and charges. It is also imperative to inject into the governance process elements and attributes of good governance, including participation of the civil society. The following measures need to be taken to improve and strengthen governance:

- (a) a more strategic or result-oriented (efficiency, effectiveness and se quality) orientation to decision making;
- (b) replacement of highly centralised organisational structures; decentralised management environment integrating with the new urban and municipal institutions, where decisions regarding resources allow is and service delivery taken close to the point of delivery.
- (c) flexibility to explore alternatives to direct public provision which might provide more cost effective policy outcomes;
- (d) focusing attention on the matching of authority and responsibility as a key to improving performance, including mechanism of explicit performance contracting;
- (e) creating of competitive environments within and between public service organisations;
- (f) strengthening of strategic capacities at the Centre to steer the government to respond to external changes and diverse interests quickly, flexibly and at least costs;
- (g) greater accountability and transparency through requirements to report on results and their full costs;
- (h) service-wide budgeting and management systems to support and encourage such changes;
- (i) the most important task to break the growing nexus between bureaucrats, politicians and criminals, leading not only to a breakdown of the total system but also to a sense of cynicism amongst the citizenry.
- (j) adapting of innovations and evolving suitable mechanism to eliminate corruption of both political and administrative levels and strengthen citizens' grievance redressal system;
- (k) improving the system of delivery at the cutting edge of administration through replacement of existing archaic bureaucratic procedures by absorbing some appropriate precepts inherent in the philosophy of New Public Management;
- (l) making improvements in the working atmosphere in government institutions and offices to reflect a new work culture and a changed administrative behaviour; incorporating the principles of transparency, responsiveness, accountability, participative and citizen-friendly management.

## GOOD GOVERNANCE: STRATEGY FOR GROWTH

The following seven-pronged strategy is of dire need for growth in the Indian administration system.

## Administrative

The Indian administrative system suffers *inter alia* from a veritable spectacle of too many men burdened with too much weight of factors such as regulatory restrictions, and archaic rules and procedures, on the one hand, and charged with too little urge or surge forward, no motivation to achieve, 'no killer instinct', on the other. Structurally, the administration has become a colossus, suffering from acute obesity and incapacitated by overload of its own gigantic form. In respect of the administrative system, there is an immediate need to cut down the size of the government and its expenditure. As a former Indian Minister of Finance, Yashwant Sinha has categorically stated that, while external borrowings are being used for productive purposes, internal borrowings are going towards meeting establishment costs. It is necessary to reverse the trend as early as possible.

## Bureaucratic

In India, bureaucracy seems to be suffering from loss of moral fibre. The government's swarming army of men—mostly uncommitted, unresponsive, unprofessional and unaccountable—displays such behavioural pathology in relation to the people they are supposed to serve that they become thoroughly dysfunctional, unproductive and incapable of delivering goods. In the context of good governance, therefore, the traditional bureaucratic structure has to change, reformed and re-oriented. The civil service has to shift its focus from being a provider and regulator to that of a facilitator. So bureaucracy is to be revamped in terms of change in its orientation, behaviour and attitude. Instead of being the defender of the status quo, there has to be a realisation that with the advent of globalisation, liberalisation and privatisation, it has to play a major role of a catalyst for change. Apart from the changes in the traditional values and norms of work culture, it has to demonstrate its willingness to accept new technical innovations and values of achievement and competition, equity and egalitarianism and concern for broader collective social goals.

## Political

When we talk of good governance in the context of India, the need for political reforms occupies the most prominent place. In this connection, the single greatest problem plaguing Indian polity for more than a decade has been instability of governments not only at the Centre but in the states as well. Following the British model we adopted the parliamentary system but the essential conditions for its success—a well-organized, ideologically-oriented and fairly stable system of two major political parties—does not exist in our country. Political reforms cannot be complete without electoral reforms which would ensure good candidates being elected. In this connection,

- (a) The Election Commission of India should be authorised to disqualify a person found guilty of corrupt practices;
- (b) There should be an increase in the required number of valid votes polled to save security deposit from one-sixth to one-fourth;
- (c) Provision of compulsory maintenance of accounts by political parties and audit thereof by agencies specified by the Election Commission;
- (d) Regulation of donations by companies to political parties;
- (e) Strengthening of existing provisions regarding registration and de-registration of political parties;



- (f) Rationalisation of the size of electorate for each constituency; and
- (g) Improvement in existing arrangements related to curbing the role of money power in elections.

## Judicial

As the judiciary is independent of political, executive and legislative controls, it can discharge its duties fearlessly by giving exemplary punishment to the corrupt. But the judiciary also needs to be reformed so that speedy justice is available without involving much costs.

## Institutional

On the institutional front, it is necessary to regenerate political and administrative institutions from the virtual collapse that India has experienced in the last three decades—restore the legitimacy and effectiveness of the legislature, the bureaucracy, the judiciary and the non-state actors of the civil society. As sustainability of transition in India has been greatly affected by the gradual incremental loss of the capacity and effectiveness of the democratic institutions, a radical package of reforms is required to revamp the institutional framework be implemented immediately.

## Economic

On the economic front, it is of utmost importance that a comprehensive and concerted policy strategy based on general consensus is developed:

- for revamping the public distribution system (PDS);
- for disinvestments in public enterprises in key economic sectors like power, energy, oil, transport, telecommunication, and in sick industrial units;
- for a comprehensive and concerted policy strategy based on general consensus be developed for:
- for reconsideration of proportion of subsidies in agriculture, oil and other key sectors of the economy, which are at best counter-productive.

## Social Security

In respect of social security, the system of governance faces a massive challenge to provide for adequate employment generation, health, education, shelter and the basic facilities of sanitation and drinking water. Providing for higher outlays and spending on items like primary education and primary healthcare is not the only solution; the real challenge is effective management on the part of the administration to deliver these goods at the lowest costs and in an equitable manner. Those are some of the areas where the state cannot abdicate its responsibilities, notwithstanding the emphasis of liberalisation and privatisation, increased public and foreign investments, and contracting out of the services in various industrial and other sectors of the economy and social services.

The term ‘good governance’ has continuously evolved with the development of human civilization. In recent times, it has acquired much broader meaning in the wake of globalisation, economic liberalisation and corporatisation. Good governance is a notion broader than that of good government. It basically involves balanced governance. Both the public and the private sector can learn a lot from each other. The

challenge of good governance certainly requires the government to be reinvented, the bureaucracy to be re-positioned and the non-government business sector to be re-invented with social motive. The re-invented government is supposed to act in a more missionary and energised manner.

## REFERENCES

---

1. H. K. Asmerom, K. Borgman and R. Hopee, 1995, 'Good Governance, Decentralisation and Democratisation in Post Colonial State', *Indian Journal of Public Administration*, 41 (4), October–December, p. 736.
2. John Healey and Mark Robinson, 1992, *Democracy, Governance and Economic Policy*, London: Overseas Development Institute, p. 146.
3. B. S. Gupta, 1996, *India: The Problems of Governance*, New Delhi: Konark Publishers Pvt. Ltd, p. 12.
4. O. P. Minocha, 1998, 'Good Governance: New Public Management Perspective', *Indian Journal of Public Administration*, July–September, p. 272.
5. O. P. Minocha, 'Good Governance', *Management in Government*, XXIX (3), p. 96.

## Comparative and Development Administration: Meaning, Nature, Scope and Importance

---

Public administration as an aspect of government activity has existed ever since the emergence all political systems. The concept of 'comparative public administration' first came into being in Woodrow Wilson's pioneering article, 'The Study of Administration' published in 1887. In this article Wilson stressed the need for comparative studies of administration. The idea of comparison got momentum, and it came to be widely held that without comparison, there can be no scientific study of administration. To understand the concept of comparative public administration, we should first clarify the meaning of comparative public administration.

### MEANING OF COMPARATIVE PUBLIC ADMINISTRATION

What does comparative public administration mean? One way of answering this question is to begin by defining the two component terms 'comparative' and 'public administration'. However, a more satisfactory method is to examine one of the definitions offered by scholars in the field. Before proceeding to discuss these definitions, however, it is useful to specify the criteria for accepting a definition of comparative public administration as the most useful here. It should be noted here that the comparative study of administration has a dual form; it can either focus on *public* or *private* organisations, and it can emphasise either *inter-cultural* or *intra-cultural* comparison. The definition of comparative public administration to be adopted here should focus on public organisations rather than on private ones, and should emphasise inter-cultural comparison rather than intra-cultural comparison.

Nirmod Raphaeli, after reviewing the literature on comparative public administration in detail, provided the following definition: 'As is apparent, comparative public administration is a study of public administration on a comparative basis.'<sup>1</sup> Apart from being tautological, this definition is vague and does not tell us any thing about the meaning or content of comparative public administration. Another definition

is offered by Fred W. Riggs, who has restricted comparative analysis in public administration to empirical, nomothetic (universal) and ecological studies.<sup>2</sup> This definition is also not very useful, as it is too narrow and excludes from comparative public administration quite a large number of normative and idiographic (individualistic) studies. A more satisfactory definition is formulated by the former comparative administration group, which referred comparative public administration as 'the theory of public administration as applied to diverse cultures and national settings' and 'the body of factual data, by which it can be expanded and tested.'<sup>3</sup> However, this definition satisfies only one of the two criteria specified above; it emphasises inter-cultural or cross-cultural comparison but it is not explicit about its focus on public organisations.

If public administration is defined as a subfield of political science, then comparative public administration is one of the four areas of specialisation of the former. The other three areas are administrative theory, public personnel administration and government budgeting. In contrast to comparative public administration, the other areas have, not until recently, focussed on comparison and accordingly, have been labelled 'non-comparative US culture'. Robert H. Jackson defined comparative public administration as 'that facet of the study of public administration which is concerned with making rigorous cross-cultural comparisons of the structures and processes involved in the activity of administering public affairs.'<sup>4</sup>

The definition is relatively more specific because it focuses on public organisations and not on private ones, and it involves cross-cultural comparison rather than intra-cultural comparison.

## NATURE OF COMPARATIVE PUBLIC ADMINISTRATION

Generally, comparative public administration means, comparison of structure and functions of two or more administrative units. This comparison can be cross national, namely, the comparison of municipal administration in Sri Lanka and India; intra-national like the comparison of Rajasthan and UP secretariats; cross-cultural such as the comparison of budget administration of Nepal and Russia; and cross temporal, such as the comparison of administration of Chandra Gupta Maurya and Akbar. These comparisons show that modern comparative public administration has a wide range of analysis.

The literature on comparative public administration, according to Ferrel Heady (Heady and Stokes 1962), can be divided into four categories on the basis of subject matter: (a) modified traditional, (b) development oriented, (c) general system model building; and (d) middle range theory formulation.

**Modified traditional** literature can further be divided into studies made from a comparative perspective of standard administrative sub-topics and those of entire system. Topics in the first sub-division include administrative organisation, personnel management, fiscal administration, headquarter field relations, administration of public enterprises, regulatory administration, administrative responsibility, control and field programmes such as health, education, welfare and agriculture.

The second category includes a number of studies that are basically descriptive, institutional comparisons of administration in western developed countries, with special emphasis on administrative organisation and civil service systems such as Paul Meyer's *Administrative Organisation: A Comparative Study of the Organisation of Public Administration* (1957).

**Development orientation** is concerned essentially with the problems of public administration in the context of rapid socio-economic and political change. Its emphasis is on the capabilities of administrative systems to direct socio-economic change in a society. The creation of new states in Asia and Africa and their concomitant entrance into the world concert of nations as underdeveloped or developing countries have engendered an unprecedented focus on development in these areas on the part of the more advanced

or developed nations. One of the main consequences of implementation of the US technical assistance programmes has been an increased attention to development administration as a new problem area and focus for the research. These studies focus on 'the administration of development programmes designed to promote nation-building and socio-economic development and the concomitant development of administrative practices and institutions necessary for the implementation of such programmes.'

The **general system model building** is concerned with the study of administrative systems in the overall context of their social environment. Thus, its focus is generally on the whole society. The word 'model' is used here by Waldo, to mean 'simply the conscious attempt to develop and define concepts or cluster of related concepts, useful in classifying data, describing reality and [or] hypothesising about it'. Waldo has observed, that the central problem of model construction in the study of comparative public administration is 'to select a model that is "large" enough to embrace all the phenomena that should be embraced without being, by virtue of its large dimension, too coarse textured and clumsy to grasp and manipulate administration.' Another source for model building is equilibrium theory which postulates a system with inputs and outputs as a basis for analysis.

**Middle range theory formulation** is more specific in its subject of focus and it concentrates on certain particular components or characteristics of an administrative system. Robert Presthus says, 'Middle range theory attempts to explain a restricted set of relationships, as opposed to theory...which attempts to comprehend and to explain an entire social system'. For example, the 'bureaucratic' theory of Max Weber based upon the ideal type/model of bureaucracy, is a middle range theory. Waldo finds this model useful, stimulating and provocative but its disadvantages are that this model, 'is set in a large frame work that spans history and culture and relates bureaucracy to important societal variables, yet it focuses attention upon the chief structural and functional characteristic of bureaucracy.'

In recent years, there has been a shift in emphasis from general theories to middle range theories in comparative public administration. The reason for this change is that general theories, such as Riggs' Prismatic Model, for example, are unduly comprehensive, all inclusive and abstract. To be empirically useful, macro-models such as Riggs' models of *agraria* and *industria* must be reduced in both time and space. In this context Presthus has urged the use of 'middle range theory' in the study of 'smaller chunks of reality' because such theory is concerned with the explanation of 'a restricted set of relationships' and not with the entire social system.<sup>5</sup> In the same vein, Subramaniam has called for the employment of middle-range models in comparative public administration because they provide 'an immediately useful framework for actual comparisons.'<sup>6</sup> Unlike Riggs' macro models, the small number of variables considered by the middle range model does not deter a researcher from field work. Indeed, a scholar's task has been made easier given the reduced number of variables to be considered by him; and he can also conduct empirical research to ascertain the relationship among the selected variables.

Regarding the nature of comparative public administration, F. W. Riggs visualised three trends. These are:

- (a) a shift from normative to empirical orientation,
- (b) from 'idiographic' to nomothetic orientation,
- (c) from non-ecological to ecological orientation.

The first is a shift from normative towards more empirical approaches, a movement away from efforts to prescribe ideal or better pattern of administration, but towards 'a growing interest in descriptive and analytic information for its own sake.'

The second trend is the movement from ideographic towards nomothetic approaches. This is a distinction between studies 'which concentrate on unique case' and those seeking 'generalisations, laws', hypothesis that assert regularities of behaviour, correlations between variables.' Model building of the general system type, shows this nomothetic inclination.

The third trend is a shift from a predominately non-ecological to an ecological basis for comparative study. When Riggs first described these trends, he noted that the first trend was fairly clear, but not the second and third trends which were only beginning to develop.<sup>7</sup> The second and third trends have since then become more dominant in comparative public administration as can be seen in the emphasis given to nomothetic and ecological approaches in the field. However, this does not mean that normative concerns (which were neglected as a result of first trend) are not important in comparative public administration any more. Indeed, it can be argued that there has been a resurgence of normative concerns in public administration in general and comparative public administration in particular especially with the emergence of the 'new public administration' movement which arose from the post-behavioural revolution in political science. In short, the field of comparative public administration today is not only dominated by nomothetic and ecological approaches but is also witnessing a resurrection of its traditional normative concerns by some of the younger scholars.

## SCOPE OF THE STUDY OF COMPARATIVE PUBLIC ADMINISTRATION

According to the definitions of comparative public administration, it includes various types of studies concerned with government and public organisations such as:

- (a) Comparative studies in one nation or cultural setting.
- (b) Cross-cultural or cross-national comparison.
- (c) Temporal comparison of events.
- (d) Cross-cultural and temporal comparison.

Comparative public administration deals with the comparison of administrative process in relation to democratic governments. The comparison is of (a) structures, (b) organisation, (c) functions, and (d) methods of all types of public authority engaged in administration, whether national, regional or local, and whether executive or advisory. These include not only the central departments and the local authorities, but also the non-ministerial organisations, public boards and corporations. It also deals with the comparison of the functions of administrative authorities including executive, legislative and judicial functions. It includes a comparative study of various forms of control over administration, such as parliamentary control; state control of local governments; ministerial control of public corporations; financial control; and judicial control by the courts and the administrative tribunals.

Comparative study includes an analysis of personnel administration and its problems (like recruitment, grading, promotion, retirement, training) relating to the civil service, local government service, problems relating to planning, information and public relations services and the exercise of administrative discretion in various countries.

It also studies functional administration such as, educational administration, social administration, and economic administration with the administrative activities relating to protection and encouragement of industries, agriculture, running of public utilities enterprises by government.

Another important part of this field are comparative foreign administration; administration of the international agencies of various kinds, comparative local administration and comparative human behaviour studies. In short, applied administration has to be studied on comparative basis, country-wise, department or function-wise, according to governmental level, historically and internationally.

The scope of comparative public administration is broad; it can be inter-cultural, cross-national but intra-cultural, or international in the scope and cross-temporal in dimension. The scope of comparative public administration seems to generate considerable debate. The need for comparative research is crucial for the development of a more scientific public administration; for 'as long as the study of public administration is not comparative claims for a 'science of public administration' sound rather hollow.'<sup>8</sup> Heady interprets the terms 'comparative' in a broader sense, by accepting the description offered by the comparative administration group of American Society for Public Administration 'the theory of public administration as applied to diverse cultures and national setting and the body of factual data, by which it can be expanded and tested.'<sup>9</sup> Thompson offers even a broader view that goes beyond the 'cultural dimension' to include comparative private administration.<sup>10</sup>

Thus, the scope of comparative public administration is vast and it has widened its horizon in recent years. The comparative emphasis has been shifting from structures and institutions to processes and functions.

## Contribution of F. W. Riggs

Riggs has used structural-functional approach in studying administrative apparatus of developing countries. He divides societies on the basis of functions performed by its structures or institutions. According to him, social structures may be 'functionally diffuse' if they perform a large number of functions or 'functionally specific' if they perform certain prescribed limited functions. Riggs has called the functionally diffuse societies as 'fused' and the functionally specific ones as 'diffracted', and the intermediate society between these two types is called 'prismatic'<sup>11</sup> using differentiation as main indices. That is why his model is known as the 'prismatic model'. In the words of Riggs:

Traditional agricultural and folk societies (Agrarian) approximate the fused model, and modern industrial societies (Industrial) approach the refracted model. The former is functionally diffuse, the latter 'functionally specific'. Intermediate between these polar extremes is the prismatic model, so called because of the prism through which fused light passed to become refracted.<sup>12</sup>

Thus, the fused-prismatic-diffracted models are ideal types and useful for heuristic purposes to organise data. The characteristics of Riggs Prismatic-Sala-Model in his own words are three—heterogeneity, formalism, and overlapping.

## Heterogeneity

Heterogeneity means simultaneous presence side by side of quite different kinds of systems, practices and view points. In prismatic society there exist urban areas with a 'sophisticated' intellectual class, western style offices and the modern gadgets of administration. Side by side, there exist rural areas with traditional outlook, with village heads or 'elders' combining various political, administrative, religious and social roles.

## Formalism

'Formalism' refers to the extent to which discrepancy exists between the prescriptive and the descriptive, between the formal and effective power, between 'impressions and actual practices. In prismatic societies actual official behaviour does not correspond to legal statutes, even if officials may talk on following laws literally. This is because they get pay-off in a particular case. Thus formalism leads to official corruption.

## Overlapping

Overlapping is a characteristic of prismatic model only. It means the extent to which any act is described as 'administrative behaviour', is in actual practice determined by non-administrative criteria namely political, economic, social, religious or other factors. While Riggs classified social system as fused, prismatic, and diffracted, he has also developed corresponding models for administration of these societies based on the same principle of diffraction. For a fused society, the administrative system is classified as 'chamber'; for prismatic society, as 'Sala'; and for diffracted society, as 'office'. The Sala, a Spanish word combines both the chamber and office traits. The characteristics of the Sala-model are:

- Corruption becomes institutionalised in the Sala.
- In the prismatic model, although selection is based formally on examination, the characteristic result is nepotism.
- Given a choice between loyalty and competence in a subordinate, the Sala official chooses loyalty.
- Appointing officers are more interested in the impact of appointments on their own power position than on the administrative consequences.<sup>13</sup>

Riggs after about 15 years changed his original views about the prismatic society in his book *Prismatic Society Revised* 1975. He considers his earlier conceptualisation as a 'one dimensional approach' based on degree of differentiation only and suggests a new definition of prismatic society based on 'two-dimensional' approach of degree of differentiation and integration. Non-integrated differentiation leads to chaos. Therefore, the two basic societal models of diffracted and prismatic are further subdivided on the basis of degree of integration. Accordingly, diffracted societies are divided as eodiffracted, orthodiffracted and neodiffracted. Prismatic societies are similarly reclassified into eoprismatic, orthoprismatic and neoprismatic. Here the prefixes 'eo' means elementarily, 'ortho' means correctly and 'neo' means afresh or new.

Riggs claims that the two dimensional approach has advantage of accepting that prismatic conditions may occur in societies at any level of differentiation including of developed nations. He cites symptoms of malintegration in the USA and other developed nations in the form of urban crisis, race riots, students uprising, popular apathy, the hippy phenomenon, and the profound turbulence brought by a continuing war in Vietnam.

The prismatic Sala model of Riggs suffers from many weaknesses. First, it takes a prismatic view of 'developing societies' looking at the negative side only, second, it is value loaded and not objective. It is biased in the favour of industrial western societies. Third, prismatic behaviour is not peculiar to developing countries only. It is also found in developed societies. Fourth, formalism a characteristic of prismatic society has a positive role which has been overlooked by Riggs. Lastly, the views expressed by Riggs about the role and relationship of political parties, the bureaucracy and the legislature do not give true picture so far India is concerned. There are various types of developing countries according to their culture and political heritage. Therefore, single model is not sufficient for the study of 'prismatic' societies as Riggs has himself later admitted that it is not meant for exclusive application to the developing countries alone.



Riggs contribution for the study of comparative public administration is certainly important. His model for the study of developing societies and their administration is heuristic and good attempt. However, his many hypotheses need to be tested so far as India is concerned.

## DEVELOPMENT ADMINISTRATION

Development administration has come into light after 1950. The word first was used by Goswami in 1955 and after that lot of literature has been produced on this subject. The scholars have defined the concept and nature of development administration. To understand development administration, we have to first understand 'development' and then administration.

### What is Development?

In simple words development stands for growth. 'Development is a process which refers to the values of the people involved in the process itself.'

Riggs defines development in terms of 'rising levels of autonomy or discretion (of social systems) in the sense of ability to choose among alternatives, not of course, in the sense of caution or modernisation.'<sup>14</sup> He introduces the concept of development as 'an increase in the level of discretion of social system.' His definition,

- stresses the 'growth' made possible by autonomy of social system that can transform or reshape the environment.
- emphasises 'performance values'—increasing efficiency, reducing costs, improving the machinery of production of government or administration.
- stresses, 'the justice value of freedom, independence, equality, change, even revolution.'<sup>15</sup>
- seeks to restructure the social system, and;
- involves levels of diffraction which is a necessary condition for achieving autonomy.

Riggs says,

development involves the ability to choose whether or not to increase outputs, whether or not to raise levels of per capita income, or to direct energies to other goals, to the more equitable distribution of what is available, to aesthetic or spiritual values, or the qualitatively different kinds of outputs.<sup>16</sup>

Edward Weidner describes development as a 'process of dynamic transformation.' Development as a process is never ending and never complete.

He further says,

Development means more of the good things of life.' To the man on the street, development means the ability to attain his goals in life. To the man in the planning office, it means attaining more of the national goals. To the man in ivory tower, it means that mankind maximises its happiness. Development is fundamentally an equalitarian goal. It is equalitarian with in a given people..... Development means more of the good things of life and a greater fulfilment of individual happiness.

A group of scholars has equated 'development' with growth, second group with system change, yet another with goal-orientation. Another school of thought considers it in terms of planned change. Many definitions of 'development' come from sources which fall outside the confines of development administration.

- Development as planned growth in the direction of modernity or nation building and socio-economic progress involving substantial differentiation and coordination.
- Development as planned growth in the direction of modernity. Both the definitions of 'development' do not fall within the confines of 'development' administration because these prescribe so many different characteristics that must adhere to change.

There are three major facets of change for students of development administration.

(a) A general distinction is now made between change in the output of a system and change in the system itself. Change in the social system and in administrative system of a developing country is thus a crucial variable. Riggs' model identifies *differentiation and coordination* as a systemic characteristic that represents the essence of development.

(b) Easman calls development in terms of nation building and more complete description of development process would be growth. Whether under conditions of system change or not in the direction of modernity particularly in the direction of nation building and socio-economic progress.

(c) There is an inherently manipulative aspect of the term 'development'. Those engaged in development work are consciously trying to bring about change in a particular direction. Riggs and Lee have compared an environmental approach with an ecological one.

## Development from an Economic Point of View: Growth and Change

Development is measured by the extent to which the skewed distribution of property ownership is corrected; by the number of people brought above the poverty line; by the spread of education, health, and housing services; by employment generation, economic growth, and price stability; by political participation of the unorganised and disinherited majority; and by cultural progress. Usually, *economic development* is so overemphasised that *development* becomes synonymous with *economic development*. Even *social development* is related to economic development and even the *spiritual aspect of human life is not related to economic development*. Even the United Nations has been harping on 'economic development.' It defines development as:

- accelerated economic growth, more equitable distribution of wealth and income,
- full utilisation of manpower and better utilisation of national resources. It has a social context.
- Social services being made available to the needy sections of the people.
- Social welfare services being made available to women, children and handicapped, etc.
- Protection of human environment.

Development thus may be described as a 'process of social, economic, spiritual and mental change from a retrogressive to a forward looking progressive society.'

## Development Administration

All the structures, organisations and agencies involved in the primary activity of 'development', are the parts, the constituents or organs of development administration.

Swerdlow says, 'Development administration is that part of administration which is concerned with the development of country's economy and society.'

Merlie Fainshod explains the concept of development administration in these words: 'Development Administration is a carrier of new functions assumed by developing countries embarking on the path of modernisation and industrialisation. Development administration ordinarily involves mobilising and allocating resources to expand national income.'<sup>17</sup> New administrative units, frequently called nation-building organisations, are set up to foster industrial development, manage new state economic enterprises, raise agricultural output, develop natural resources, improve the transportations and communication network, reform the educational system and achieve other developmental goals. The public administration dictionary defines development administration as 'the enhancement or improvement of techniques, process, and systems organised to increase the administrative capacity of a nation, usually a newly emerging nations.'

Weidner says, 'development administration is concerned with maximising innovation for development.'<sup>18</sup> He defines innovation for development as 'the process of planned or intended change in the direction of modernity or nation-building and socio-economic change.'<sup>19</sup> Riggs defines, development administration as 'organised efforts to carry out programmes or projects thought by those involved to serve development objectives.'<sup>20</sup> He further says, 'development administration refers not only to a government's efforts to carry out programmes designed to reshape its physical, human and cultural environment, but also to the struggle to enlarge a government's capacity to engage in such programmes.'<sup>21</sup> Development Administration is 'Action Oriented' goal oriented administrative system.'<sup>22</sup>

Today, development administration is concerned with formulation and implementation of the four 'Ps': plans, policies, programmes and projects. Thus, development administration is 'administration of planned change.'<sup>23</sup> Development administration is about development programmes, policies and projects in unusually wide and new demand conditions with peculiarly low capacities to meet them. Development administration is the process of formulating policies necessary to achieve development goals and the mobilising, organising and managing of all necessary and available resources to implement these policies.

In brief, development administration is the process of carrying out development programmes and projects directed towards nation building and socio-economic progress through an administrative organisation. It is through public as well as non-public organisations and their proper management that a developing country can carry out development policy measures for the realisation of national goals and objectives.

## The Concept of Administrative Development

The concept of development administration has two major aspects: 'development of administration' and 'administration of development'.

The first means development of administrative capacity. It involves strengthening and improving 'administrative capabilities' (reforms) as a mean for achieving development goals.

According to the second interpretation, we expect development administration (administrative organisation) to act as an instrument in the implementation of development programmes, projects and policies. This may involve raising the standards of education, transforming social systems, improving public health, raising national income, stabilising political system, conserving national resources, improving communication system, constructing dams, power plants and undertaking other developmental tasks of national importance.

The field of development administration covers both 'development of administration' and 'administration of development'. The former concerns the nature of administrative capacity for development and methods of improving and increasing it. The latter concerns the organisation and management of various development efforts.

## Functions of Development Administration

These imply the functions concerned with development of administration or administrative development or the functions concerned with administration of development.

**Development of administration:** This category concerns with increasing and improving the capabilities of the administrative system. Development administration has to perform the functions of improving the education of, and imparting training to, the personnel engaged in developmental goals. Policy making, planning and budgeting are advisory functions of development administrators, yet they constitute a significant part of efforts to enhance administrative capacity for development. Administrative capability also involves the use of modern management techniques and other ways and means to identify individual objectives with development goals. Katz says, 'Administrative capability for development involves the ability to, mobilise, allocate and combine the actions that are technically needed to achieve development objectives.'

**Administration of development:** It means administering development. This is identified with organisational development: development of government departments, public enterprises, regulatory agencies, public corporations, cooperative institutions, etc. The government machinery is responsible for achieving the broader socio-economic and political goals.

Thus, development administration performs two main functions: the first relates to realising development goals and objectives; the other to improving and enhancing capabilities of those involved in development goals and objectives.

## Problems of Development Administration

- Lack of experienced administrators as well as technocrats in specialised fields
- Lack of modern management techniques
- Poor methods adopted in policy making, planning and budgeting, procedural delays, lack of sufficient determination and commitment to plans and programme implementation
- Poor direction, coordination and relationships between the generalists and specialists
- Poor organisation of public enterprises, government departments, boards and regulatory agencies and financial institutions
- Existence of traditional attitudes, old customs, inappropriate language and religious beliefs
- Poor response of the people and lack of political support to the development programmes and projects
- Poor finances and material resources

The basic problem is to convert the traditional administrators into modern ones and to improve and strengthen their capabilities so they can carry out the programmes and projects directed to developmental goals of nation building and socio-economic progress.

## REFERENCES

1. Nirmod Raphaeli, 1967, *Readings in Comparative Public Administration*, Boston: Allyn and Bacon, p. 22.
2. Fred W. Riggs, 1962, 'Trends in the Comparative Study of Public Administration', *International Review of Administrative Sciences*, XXVIII, p. 12.
3. Quoted in Ferrel Heady, 1962, 'Comparative Public Administration: Concerns and Priorities,' in Ferrel Heady and Sybil Stokes (eds), *Papers in Comparative Public Administration*, Ann Arbor, Michigan: Institute of Public Administration, University of Michigan, p. 4.
4. Robert H. Jackson, 1966, 'An Analysis of the Comparative Public Administration Movement,' *Canadian Public Administration*, IX, March, p. 110.
5. Robert V. Presthus, 1959, 'Behaviour and Bureaucracy in Many Cultures,' *Public Administration Review*, XIX, Winter, p. 26.
6. V. Subramaniam, 1964, 'Middle Range Models in Comparative Studies', *Indian Journal of Public Administration*, X, October–December, p. 528.
7. F. W. Riggs, 1962, 'Trends in the Comparative Study of Public Administration', *International Review of Administrative Services*, 28 (1), p. 9.
8. Robert A. Dahl, 1947, 'The Science of Public Administration: Three Problems', *Public Administration Review*, VII, p. 8.
9. Ferrel Heady and Sybil Stokes (eds), 1962, *Papers in Comparative Public Administration*, Ann Arbor, Michigan: Institute of Public Administration, University of Michigan, p. 4.
10. James D. Thompson *et al.*, 1959, *Comparative Studies in Administration*, Pittsburgh: University of Pittsburgh Press, p. 9.
11. F. W. Riggs, 1964, *Administration in Developing Societies: The Theory of Prismatic Society*, Boston: Houghton Mifflin Co., p. 24.
12. F. W. Riggs, 1991, 'International Relations as a Prismatic Model', in Klaus Knort and Sidney Verba (eds), *The International System*, Princeton University Press; cited in Mohit Bhattacharya, *Public Administration*, Kolkata: The World Press, p. 277.
13. C. P. Bhambhari, 1992–93, *Public Administration*, Meerut: Jai Prakash Nath & Co., 12th edition, p. 48.
14. F. W. Riggs, 'The Idea of Development Administration', 1970, in Edward W. Weidner (ed.), *Development Administration in Asia*, Durham, N. C.: Duke University Press, p. 27.
15. *Ibid.*, p. 71.
16. *Ibid.*, p. 72.
17. Merlie Fainshod, 1963, 'The Structure of Development Administration', in Irwin Swerdlow (ed.), *Development Administration: Concepts and Problems*, Syracuse: Syracuse University Press, 1963, p. 2.
18. Edward W. Weidner, 1970, 'Development and Innovational Roles', in Edward W. Weidner (ed.), *Development Administration in Asia*, Durham, N. C. Duke University Press, p. 8.
19. *Ibid.*
20. F. W. Riggs, 1970, 'The Context of Development Administration', in F. W. Riggs (ed.), *Frontiers of Development Administration*, Durham: Duke University Press, p. 73.
21. *Ibid.*, p. 75.
22. Edward W. Weidner, 1962, 'Development Administration: New Focus for Research', in Ferrel Heady and Sybil Stokes (eds), *Papers on Comparative Public Administration*, Ann Arbor: Institute of Public Administration, University of Michigan, p. 98.
23. Donald C. Stone, 1966, in *Introduction to Education for Development Administration*, Brussels: International Institute of Administrative Sciences, p. 702.

## Public Policy

---

Policy formulation is one of the essential functions of government. In the present setup, it is the responsibility of the government to 'take care' of the people. A government is to perform numerous functions and a policy is prior to every action. In simple words, a policy may be defined as a set of rules which can be utilised to achieve certain desired objectives. In the words of Richard Rose, 'A policy is not a decision but a course or pattern of actions.' It is the policy which provides a framework within which all actions for the accomplishment of an objective are to be activated. Robert Eye Stone defines public policy as 'relationship of a government unit to its environment.' According to Thomas R. Dye, 'Public policy is whatever government chooses to do or not to do'.<sup>1</sup> In the Indian context, public policy could be defined as government rules and programmes considered individually or collectively i.e., the authoritative decisional output of a political system in forms of laws, ordinances, court decisions, executive orders, decisions or even unwritten understanding of what is to be done.<sup>2</sup>

David Easton defines public policy 'as the authoritative allocation of values for the whole society'. But it turns out that only the government can authoritatively act on the whole society and 'every thing that the government chooses to do or not to do results in the allocation of values,'<sup>3</sup> Laswell and Kaplan define policy 'as a projected programme of goals, values and practices'<sup>4</sup> and Carl J. Friedrich says, 'It is essential for the policy concept that there be a goal, objective or purpose.'<sup>5</sup>

In the words of Peterson and Plowman,

The formulation of policies and their issuance in commands, orders and other forms of directions are one of the most important as well as critical tasks with which the executive group in any business enterprise is charged. This task is so pervasive and far-reaching in its effect upon the affairs of a going concern that it challenges the finest qualities of managerial talent.<sup>6</sup>

Policies are guides to the actions or decisions of public in an organisation.<sup>7</sup> It also involves the acts of the members of an organisation in specific situations that occur frequently and affect a large number of people in the group. In the words of Dimock, 'A policy is a consciously acknowledged rule of conduct that guides administrative decisions.'

On the basis of above mentioned definitions of public policy, certain conclusions can be drawn:

First, public policy is a proposition or goal-oriented activity.

Second, policy consists of courses or patterns of actions by governmental officials. Non-governmental actors or factors may influence policy developments.

Third, policy is what governments actually do, not what they intend to do.

Fourth, public policy may be either positive or negative in form. Positively, it may involve some form of overall government action. Negatively, it involves a decision by government not to take action in a particular direction.

To sum up, it can be said that public policy is a purposive course of action followed by an actor dealing with a problem or matter of concern.

## Objectives of Public Policy

Public policy may have a micro or macro perspective. Micro policy is designed for a specific or a local area but a macro policy has a far wider application. It may be employed in the whole polity or the whole economy. It may be noted that macro economic or macro political policy objectives are bound to have many common grounds. Needless to add that an economic policy is an important part of public policy. Thus a public policy will essentially incorporate many economic items and desiderata.

Public policy involves a manipulation of different social, economic, and political variables like taxation, price level, income, employment, public expenditure, money supply and so forth. There are many policy variables in which policy makers are ultimately interested; for example, employment, price stability, economic growth, balance of payment equilibrium and so on. The main macro policy variables or the objectives of the public policy are (a) price stability (b) generation of maximum employment (c) economic growth (d) income equality and (e) balance of payment equilibrium.

The objectives may also be framed in terms of macro-political considerations. In such cases, the objectives of public policy can be said to be secularism, equilibrium, maximum freedom and liberty, equality before law, social justice and so on.

The policy makers must classify the objectives into short term and long term keeping in mind the immediate and distant socio-economic desiderata. The short-term goals should be tried to realise first. But short-term public objectives should not serve as a constraint for the long-term objectives. For instance, price stability is a short-term objective whereas economic growth is a long-term objective. No measure intended to achieve price stability should disturb long-term objective of capital formation and economic growth.

## Difference Between Policy and Rules

The term 'policy' is sometimes confused with terms like rules, customs procedures and so on. However, there is fundamental difference between each of them. 'Policy' is dynamic and flexible whereas a 'rule' is specific and rigid. Policies are usually broader than rules and are stated in more general language. While policies serve as guides to action, rules specifically state what must or what must not be done. Rules are

usually reinforced by specific, stated penalties, but policies allow room for variation in their use without entailing immediate, specific and stipulated penalties.

## Policy Differs from Customs, Decisions and Plans

There is also a difference between policy and custom in so far as the former is the product of conscious effort, while the latter grows automatically in the soil of a society. Policy should also be distinguished from decision. Though policy in itself is a big decision, it provides the framework within which several other series of decisions are taken. Policy is also different from procedure. Procedures exist to implement the policy. Procedures are established as the prescribed way of doing something. They become a standard method by which work is performed. Policy deals with basic issues, basic to the working of the whole administrative machinery. These issues may be simple and limited in nature or they may be complex and numerous. For simple issues, it will be easier to take decisions, for complicated issues, decisions may require considerable research, study and analysis.

Policies are sometimes also confused with plans, but both are quite different from each other. Policies are conceived as directives sent down as rules to be followed. Plans, on the other hand, are not easily perceived or communicated. Plans are transformed into policies often; however the plan may not be known, although policies derived from it are clearly spelled out. The policies may in fact force the creation of an objective statement of the plan rather than being derived from it.<sup>8</sup>

## BASIS OF POLICY FORMULATION

Policy, from whatever source—legislature or administration—it may emanate, must be based on factual data and accurate information. To the legislature, it is the administration that supplies the necessary information, but it is important to know wherefrom the administration obtains information. Broadly speaking, there are four ways through which administration collects information:

**Internal sources:** Every department is a centre to which flow periodic reports, returns, statements, accounts and various other materials from various field establishments. These reports and other material are recorded by the department for future use whenever the need arises. Some departments employ special agencies for the collection of data in certain special fields. Several ministries in India have made special arrangements and established special machinery for the collection of statistics and data helpful for policy making. The Central Statistical Organization (CSO), the National Sample Survey (NSS), The Bureau of Public Enterprises, the Directorate of Industrial Statistics and various other organisations collect information and statistics. The data so collected are properly processed, organised and interpreted to reveal certain facts essential for policy making.

**External sources:** To supplement the internal data which may be insufficient, the administration also collects information from external sources. It establishes contacts with private bodies, unions, associations, chambers etc., in order to get a true picture of facts. Internal information is likely to be biased and hence inaccurate and unreliable because it travels through the official channels and the agency reporting it may not like to reveal all facts. In India, the government does consult and tries to know the essence of public opinion through various labour unions, chambers of commerce and other professional associations. Before a Five Year Plan is actually approved, the draft outline is thrown open for discussion to



various bodies all over the country. The suggestions received are duly considered and incorporated, if approved, in working out the final Plan.

**Special investigations:** Special investigations may be conducted by the appointment of commissions and committees of enquiry in respect of a particular matter or field. Such investigations are very useful for policy making as they provide the maximum thought in a particular field. Examples of such commissions/committees are numerous both in our country and abroad. The Royal Commissions appointed from time to time in England, the Hoover Commission in the USA, the Central Pay Commissions, the Radhakrishnan Commission for universities, the Local Finance Enquiry Commission, the Secondary Education Commission, the Press Commission, the Taxation Commission, Sarkaria Commission on centre–state relations etc. in India are the examples of special investigating bodies. These commissions have specific terms of reference; they examine witnesses, both official and non-official, and obtain facts and views which they convey to the government in the form of recommendations. These recommendations serve as the basis for policy making and effecting reforms.

**Research and study:** Research and studies may be organised by the government and non-official agencies to discover certain facts and views. Administrative research may be conducted by such bodies like the Division of Administrative Management in the Office of Management and Budget in the USA, Organisation and Method department in the Treasury and in various other departments in UK, and Organisation and Methods Division in the Cabinet Secretariat with its cells in other departments in India. Similarly, non-official bodies like Brookings Institution and The Public Administration Clearing House in the USA, the British Institute of Public Administration and the Indian Institute of Public Administration also conduct research and provide facts for policy formulation. Technical research and study may be conducted by technical institutions set up for the purpose. The Geological, Botanical and Zoological Survey in India, the Council of Scientific and Industrial Research, various laboratories devoted to research in building techniques, drugs, food, technology, electro-chemicals, metallurgy, mining, the Atomic Energy Commissions, the Oil and Natural Gas Commission etc., are some of the examples of Institutions engaged in research. Every modern government, anxious as it is to make improvements, has to depend on these research bodies for information and facts they supply. Every new policy must take cognizance of the new research and material provided by these bodies. The governments are also obliged to take the help of some international agencies such as the United Nations and its affiliates, World Health Organisation, International Labour Organisation, International Bank for Reconstruction and Development, International Monetary Fund, Commonwealth Secretariat etc. Of late, the policy making organisations have been seeking inputs from the world trade bodies and regional blocks such as World Trade Organisation, Association of South East Asian Nations (ASEAN) and South Asian Association for Regional Corporation (SAARC).

## Other Factors Influencing Policy Making

Policies are not made in a vacuum. Policy makers must take cognizance of various factors in formulating policies. They cannot act arbitrarily, more so in a democratic country. First, every policy must be in consonance with the provisions of the constitution (as interpreted by the law courts) and the laws made by the legislature. Second, every policy must take into account the prevailing customs, traditions and conventions of the people. That is to say that a policy must not be against established ways of life of the people unless

it is extremely desirable to frame one for banning a social evil. Third, a policy must take into consideration the International law and the world opinion on a matter for no country can stay forever isolated. International law is constantly becoming important and every member living in the family of nations must play the game according to rules. Fourth, if a policy of a department affects the policy of some other department or organisation, the department framing the policy must have prior consultations with the department affected. Such a clearance is very important for the homogeneity of administration. Finally, a policy must be framed after due consultation with the persons or groups of persons, their unions and associations and other interests likely to be affected by the policy for this would help the policy maker to analyse the difficulties likely to be faced in the execution of the policy.

Thus, policies have to take into consideration several factors. In the words of Seckler-Hudson, 'Policies are arrived at, then, in all sorts of ways, conditioned by all sorts of matters.'<sup>9</sup> The various organisations that participate indirectly or directly in policy formulation are the legislature, the executive, the judiciary through interpretations and judge-made laws, top administrators, political parties, pressure groups, people, etc. Policy making is a continuous process. Although it may seem to be a decision of a particular body or department, in practice, however, the process is widespread although the organisation and the particular body announcing it is the last link of a long chain of previous history of the matter. It is, therefore, a collective activity, a cooperative endeavour and an effort in which many people participate.

Gladden (1953) distinguishes four different levels in policy making: (a) political or general policy framed by the Parliament, (b) executive policy framed by the Cabinet, (c) administrative policy that is, the form in which the administrator works out the will of the government, and (d) technical policy, that is, the day-to-day policy adopted by the officials in carrying out the administrative policy.<sup>10</sup>

## POLICY FORMULATION IN INDIA

As discussed in the previous section, policy making is a collective activity in which many institutions, agencies and actors participate. The most important of them are the following:

**Constitution:** Constitution is the supreme law of a land and every policy that is framed must be in consonance with the constitutional framework of the state. The Indian Constitution for example, being a comprehensive document, clearly lays down how the state machinery shall work, what shall be its objectives and what shall be its limitations. The Preamble to the Constitution declares the objectives while Directive Principles of State lay down the principles according to which the machinery of the state shall frame policies.

**Legislature:** The Indian Parliament and the various state legislatures enact laws to give effect to the policies laid down in the Constitution. Legislation is the declared will of the sovereign state and an expression of the popular opinion of the people. The role of legislature is primarily that of vetoing and controlling policies because it itself rarely takes the initiative in sponsoring legislation. It influences and moulds policies through general discussions, adjournment motions, interpolations, resolutions etc.

**The cabinet:** The cabinet is the chief source of policies in our country. It is the most important body and its meetings make every one await its decisions. It is the overall directing and controlling body headed by the prime minister at the centre and chief ministers in the states. All important policies are approved by it. It works through several subject matter sub-committees which report to it on specific matters.

**Planning Commission:** It is a non-constitutional body set up by executive action. Although it is a staff agency and hence an advisory organ to the government, it exercises important influence over the formulation of policies relating to the entire field of administration.

**The National Development Council:** It is headed by the prime minister, and comprising few central ministers and chief ministers of all states, members drawn from various political parties, social organisations and persons of eminence, is the supreme policymaking organ. It guides the Planning Commission in promoting growth, equity and productivity.

It is responsible for allocation of huge financial resources from the central government to the states. About 50 per cent of the public spending at both the central and state levels is directed by it under the broad approval of the central government. Thus it covers almost all the aspects of revenue and expenditure actions undertaken both by the centre and the state governments and hardly any major economic initiative gets conceived that could escape its scrutiny.

**Bureaucracy:** Public services, though mainly concerned with the execution of policies, participate in policy making in so far as they advise and supply the necessary data to the ministers for policy making, give legislative form to the policies and lay down administrative rules and regulations for giving effect to approved policies.

**Cabinet secretariat and Prime Minister's Office (PMO):** The cabinet secretariat and the PMO are the key agencies for public policy formulation, the latter being more important and stronger. The former was set up with the cabinet secretary as its head charged with the responsibility of coordinating the work of multifarious organisations involved in policy management of the central government and presenting to the various sections of the society as a coherent whole. However, during the tenure of Jawaharlal Nehru, the primacy of the cabinet secretariat in policy making suffered a setback when he started attaching greater importance to the PMO for the reason that he being finally accountable to the people, his office should be the highest authority in the realm of public policy making. Sardar Patel, the then Home Minister, had resisted this and the Prime Minister had to retract and the cabinet secretariat was restored its earlier pivotal agency position in policy formulation. But this position was reversed by Lal Bahadur Shastri who succeeded Jawaharlal Nehru as Prime Minister in 1964 and the PMO was again made the key agency in the realm of policy formulation. This tradition has continued to dominate the Indian policy scenario. The PMO has emerged strong since then usurping the authority of the cabinet secretariat. Morarji Desai depended much on PMO's advice. Indira Gandhi transformed the PMO into a hub of policy making, and the ministers into spokesmen to ventilate the PMO's views about matters of public policies. Rajiv Gandhi made PMO much stronger in the matter of policy making by included in its purview the tasks of getting policies framed and endorsed by relevant ministers and of ensuring their smooth implementation. The prime ministers succeeding Rajiv Gandhi have not been able to win back the place of pride for the cabinet secretariat that it initially enjoyed. It however continues to give expert advice to PMO and its assisting organs and also coordinate implementation of the policy. Both PMO and cabinet secretariat depend upon host of agencies for formulating and implementing public policies though certain independent cells were set up in major ministries to undertake policy formulation on various subjects handled by them. They had become lax over a period of time and have since become defunct.<sup>11</sup>

Besides the above organs, there are several other bodies which influence policy making. Mention may be made of standing committees—Estimates Committee, Public Accounts Committee, Committee of Public Undertakings in the Indian Parliament and Cabinet Committee on Political Affairs, Cabinet Committee on Economic Affairs, External Affairs Committee of the Cabinet and the Defense Committee to the Cabinet. Advisory bodies such as Standing Labour Committee, Indian Labour Conference, Import and Export Advisory Committee, Central Advisory Board of Education, University Grants Commission etc., also help the Parliament and state legislatures in the task of policy formulation and enacting legislation. Pressure groups such as trade unions, chambers of commerce and various other associations, political parties through their elections manifestos and the Press etc. also play their roles in policy making by the government. All these bodies advise, suggest and sometimes protest and demand correctives in regard to a particular policy.

## Relevance of Policy Making in Public Administration

Policy making is of great significance and relevance in public administration. Appleby is of the view that the essence of public administration is policy making. 'Policy is prior to every action. Policy sets the task for administration. Policy is in fact planning for action; it is getting ready for setting the sails to reach the desired destination.'

Ever since Wilson wrote his essay, 'The Study of Administration' published in 1887, the school of thought that upholds the politics-administration dichotomy tended to regard policy as outside the scope of administration. In the words of Wilson, 'The field of administration is a field of business. It is removed from the hurry and strife of politics'. Wilson was followed by Goodnow and as late as 1926, L. D. White drew a distinction between administration and politics.

It is now being increasingly realised that politics-administration dichotomy cannot work and that administration cannot be completely divorced from policy making. Luther Gulick was one of the first advocates of this view. To quote Appleby:

Administrators are continually laying down rules for the future, and administrators are continually determining what the law is, what it means in terms of action, what the rights of parties are with respect both to transactions in process and transactions in prospect....Administrators also participate in another way in the making of policy for the future; they formulate recommendations for legislation, and this is a part of the function of policy making.

Public officials are associated with policy formulation in three important ways. First, they have to supply facts, data and criticism as to workability of a policy to the ministers or to the legislature if the initiative for policy making comes from them. The members of the legislature or the ministers are amateurs who have risen to positions because of the popular will and not because of administrative talent and as such, they have to give due weight to the suggestions of the officials. Second,, in many cases the initiative for policy or legislation emanates from the administration. This is because of the fact that it is the administration which is in constant touch with the general public and is in a better position to understand the difficulties that arise in the execution of legislation. It has therefore, to make suggestions and formulate proposals for removing those difficulties and in the process, it may have to, if need be, ask for amendments in the existing law or even for more laws. In such cases policy proposals emanate from the administration

and legislature only puts its seal of approval on them. Third, on account of lack of time and knowledge, the legislature passes skeleton Acts and leaves the details to the administration. It is here that administration is most supreme in policy making. In order to execute these Acts, the administration frames rules, regulations and by-laws which are a major contribution to policy making.

## Scope of Public Policy

The governments do numerous things through policy formulation for rendering various types of services to their people. They regulate conflicts within society, they distribute a great variety of symbolic awards and material services to the members of the society and they extricate money from society most often in the form of taxes and penalties. Thus public policies may be regulative, organisational, distributive or extractive—or all these things at once.

Again the public policies may deal with a wide variety of substantive areas—defence, foreign affairs, education, health, agriculture, industry, food, welfare, police, highways, taxation, housing, social security, economic opportunities, urban and rural development, inflation and recession and so on. Thus, they may range from the vital to the trivial from allocation of billions of rupees for anti-ballistic missiles system to deciding upon the national bird.

## Some of the Recent Policies of Central and State Government

The policies of any government, central or states cannot be static. These have to be formulated, modified and changed in consonance with the changing circumstances, requirements, aspirations and needs of the country and its people. Recent pronouncements of the policies of the central government in some fields may be mentioned as follows:

**Nuclear policy:** Nuclear policy highlighted as a consequence of Pokhran-II nuclear explosion in May 1998 is to serve as a deterrent to the powers entertaining aggressive designs against us and not to threaten other countries with our being an atomic power. Our foreign policy, postulates our commitment to peace and friendship with all countries especially our neighbour countries. Our education policy, lays emphasis on eradication of illiteracy and encouragement to vocationalisation and computerisation, women education, and Indianised, nationalised and spiritualised education as announced by the present BJP and its allies government (which has been termed as fundamentalist approach to education by some sections of society) especially in view of U.P. government directive to government schools to sing Saraswati Vandana' and 'Vande Materam'. The main components of our Labour policy are the elimination of child labour; our economic policy has its main thrust on liberalisation, globalisation and participation of multinational companies to attract and facilitate foreign investments. Our EXIM (export and import) policy envisages maximisation of exports including improvement of quality of our goods to compete in international market and liberalisation of import of scientific, technical and computer instruments; our recent insurance policy aims at privatisation of insurance business by involving foreign companies in it; our agriculture policy is oriented towards optimising the production of agricultural goods, products and improving the lot of the farming community by ensuring adequate returns for their products by fixation of suitable prices for wheat, paddy, pulses etc., and insuring their crops against floods and other natural calamities. In compliance with the Directive Principles of State Policy which enjoin upon the state to promote with special care the educational and economic interests of the weaker section of the people and in particular of the Scheduled Castes and Scheduled Tribes and protect them from social injustice and all forms of

exploitation, the government had reserved seats for them in the legislatures, public services and academic institutions initially for a period of 10 years on the commencement of the Constitution in 1950 and has since extended the reservation policy not only for the Scheduled Castes and Scheduled Tribes from time to time to the present day but also included the other Backward Classes on the acceptance of the recommendations of Mandal Commission by the National Front Government headed by V. P. Singh in 1990. In the field of telecom policy, Atal Bihari Vajpayee, Prime Minister of India while inaugurating Hi-Tech city at integrated township, on the outskirts of Hyderabad, Andhra Pradesh has observed that the government will soon unveil a package of policy initiatives for increase in the penetration of formal computers, promotion of computer-based education and development of trained manpower to meet the growing needs of software and hardware industries.

The new telecom policy would have two objectives: on the one hand it would focus on accelerated growth of telecom services in the rural areas. On the other hand, it would also create a competitive and regulated environment to harness the full benefits of convergence between information technology (IT) media and consumer electronics.

'The government had constituted a high powered committee under the chairmanship of the Deputy Chairman of the Planning Commission Mr. Jaswant Singh to make recommendations for the proposed new telecom policy.'

**Sports Policy** of the government is to catch the talented boys and girls when they are young and to train them to successfully compete with the sportsmen and sports women in the national and international events by providing them necessary infrastructure and monetary help through scholarships and awards.

The **Slums Policy** of the government is to regularise thousands of illegal settlements, slums etc. in Delhi and other metropolitan cities and to provide the dwellers therein with necessary facilities so as to make their lives worthliving.

**Health Policy** envisaged 'Health for All by 2000' which has not been achieved because of population explosion and lack of medical facilities. But the policy of eradication of certain diseases like Polio by administering Pulse Polio drops to crores of children upto the age of five years twice every year has been successful.

Our **Environment Policy** of preserving natural habitat in respect of forests and wild life and providing pollution free environment for citizens is being pursued vigorously. Policy of **Empowerment of Women** through eradication of gender bias and provision of thirty-three percent reservation of seats in Lok Sabha and state legislative assemblies by enactment of Women Reservation Bill was being sought. Similarly **Empowerment of Panchayat Raj institution** has been claimed through the 73rd Amendment of the Constitution. The **Urbanisation Policy** envisages cessation of migration of rural population to Urban areas by providing urban like infrastructure and facilities in the rural areas and dispersal of industries and government offices from the metropolitan cities to other cities.

The Haryana Vikas Party had promised **prohibition** in its 1996 Election Manifesto and when it assumed power in coalition with BJP, it implemented the policy which of course could not prove a success and had to be withdrawn in 1998. The Shiromani Akali Dal and BJP Government in Punjab has formulated the policy of teaching English language from the first primary class in view of its international importance; it has implemented its policy of providing electricity and water supply to the farmers irrespective of the size of their holdings, free of cost, its **Transport Policy** is to involve private transport companies on certain routes. Its **municipal octroi policy** is to auction octroi to private parties to ensure maximum revenue from the source with minimum cost, its **housing policy** is to promote housing activity through Cooperatives and PUDA.

The above mentioned policies of central and some of the state governments clearly reflect that no one policy can be pursued for all times. It has to be reviewed, revised and sometimes abandoned and replaced by new policies in order to bring them in conformity with the changed milieu, conditions and circumstances of times and to fulfill the expectations, hopes, aspirations, wishes and needs of the people and requirements dictated by the international, national, regional and local compulsions as also the objectives and goals of socio-economic transformation. Factors of variegated types affect public policy formulations. This can be classified as internal, external and miscellaneous. Their influence and role in policy making may be explained in detail as follows:

## Approach of Our Public Policies: Peoples' Welfare or Meeting Targets

Public policies do not always find favour with all sections of the society. Populist policies, such as free power or water supply promised to farmers in Punjab, undoubtedly help the governments in power to consolidate their vote banks. However, different policies are criticised by varied groups and organisations espousing a certain cause or representing a set of clientele.

Our policies need to be focussed on the welfare of the common people. Nobel Laureate Professor Amartya Sen has observed that India's priorities should be people-centric not commodity-centric. He further says 'raising economic growth is important but ultimate objective should be to expand the ability of most sections of the population to earn their living'. No one can find fault with his analysis. Indeed economic activity is a means to an end, not the end in itself. Welfare of the people should be the ultimate goal. Of what use are the plans which do not improve their living conditions? Socialism, capitalism and other *isms* are good concepts only to the extent they serve to further the welfare of the people.

Former Prime Minister of India, late Lal Bahadur Shastri, was more concerned with what benefited the people. He prioritised people's welfare against a predetermined rate of growth. Today, targets are fixed first, people are accommodated later. Mainstream economics assumes that the common peoples' problems and their privation are secondary to the primary objective of having impressive statistics. An individual has to be sacrificed at the altar of targets.

Jawaharlal Nehru had also warned against such approach. In his words, 'we talk of the good of a society. It is something apart from and transcending the good of the individuals composing it.' Woefully his concept of egalitarian state failed in his life time.

Ultimately the policies have to be formulated in such a way that these benefits reach more and more people. The question is not how to accelerate the reforms but how to cast them in such a way that these improve the living condition of society as a whole.

## THE PROCESS OF POLICY FORMULATION

Policy formulation may begin at any level in an organisation. Whatever the starting point, the entire organisation becomes involved directly or indirectly. Policies beginning at the top levels arise out of needs perceived by top executives. Such needs which affect the entire organisation must be met so that the organisation may work efficiently to achieve the desired ends.

Once a policy is established at the top, it becomes the guide for supporting policies which may emanate from successively lower levels. Policy not only originates at the top and flows downward, but also may originate at or near the bottom and flow upward in an organisation. The extent to which this occurs depends largely on the extent to which these levels are allowed and encouraged to express their opinions.<sup>12</sup>



Policy formulation actually requires a master hand. Martin Starr (1971) suggests three rules for formulating commonly used policies. These are:

1. Strive for equilibrium, not optimisation;
2. Use ethics and social values as a basis and stay away from consideration of larger systems; and
3. Call on accepted tradition and avoid innovations.

According to Starr, effective policies are those 'that are supported by the group over a long enough period to become accepted practice.'<sup>13</sup>

Charles E. Lindblom uses the concept of the policy making process to achieve a focus of inquiry into certain aspects of political processes. According to him, a policy sometimes occurs as a result of a political compromise among policy makers. Sometimes policies spring from new opportunities and not from problems at all. And sometimes policies are not decided upon but nevertheless happen. Lindblom views policy making as an extremely complex analytical and political process to which there is no beginning or end, and the boundaries of which are most uncertain.<sup>14</sup>

## Policy Implementation

Policy decisions are taken by the government and approved by the cabinet, expressed in the form of a law passed by the Parliament or the state legislature concerned. This can also happen through the promulgation of an ordinance by the President of India or the governor of a state as the case may be when the Parliament or the state legislature concerned is not in session. It is absolutely essential that the implementation of the policy is ensured to achieve the objective, purpose or goal for which the policy decision has been taken. For this, a proper mechanism has to be provided. It is mainly the executive, comprising bureaucrats, officers and officials of the government who are entrusted with the task of execution or implementation of the policy. They are responsible to the minister in charge of the ministry/department concerned for effective implementation of the policy of the government in the respective ministries/departments. The bureaucracy is expected to be committed to perform their duties efficiently, honestly, devotedly and dedicatedly to serve the people. They monitor the progress of the implementation of the policy through proper liaison with their functionaries operating at the headquarters or in the field by paying regular visits to the places of work, listening to the grievances of the clientele concerned. These could be, among other things, regarding the availability of benefits which were to accrue to them through the policy announcements. The bureaucrats are then to take appropriate action to get the appropriations sanctioned for the programmes released well in time, to ensure the supply of the material required for a particular project, to take the erring officials to task, to motivate the functionaries to perform their duties, to take the public into confidence and to secure their active participation in the implementation of the policy meant for their benefit and welfare. Above all, they should have political will to get the people oriented policies executed in a methodical, result-oriented fashion.

Late Prime Minister Rajiv Gandhi was very much concerned about the lack of proper implementation of government policies, and the inability of the state machinery to achieve the policy objectives. In his words, only 15 paise out of a rupee granted for development and welfare of the people reached the beneficiaries and the rest of it was appropriated by the middlemen and government officials. He was keen that the implementation of government policies should be regularly monitored. He had created a Department of Programme Implementation in 1985 which was headed by a cabinet minister or minister of state and where the secretary was an IAS officer. The department was required to submit an annual report on



its work to the Parliament. But unfortunately, the department has not been able to properly monitor the implementation of various programmes due to lack of cooperation by policy implementing organisations. The minister concerned and the bureaucrat secretary have also not been enthusiastic in their respective assignments as they feel that the task of monitoring is not that challenging or rewarding as the field of action. And, as mentioned earlier, another important cause of unsatisfactory implementation of government policies has been the absence of involvement of people in the formulation and implementation of policies. Consequently, some of the government policies have remained on paper only and confined to files without meeting their objectives. For instance, our population control policy for the execution of which thousands of crores of rupees have been spent, has not been successful. On the contrary, our population has grown to over a billion, and now we are second only to China. If we do not tackle this problem, we might overtake China in the coming decade. Similarly, despite our having enough buffer stock of food grains, the price of daily use commodities has been skyrocketing.

Among the various causes for the unsatisfactory implementation of our public policies, the most conspicuous are said to be lack of consistency, inadequate political sense of civil servants, limited political competence, inadequate organisational capability and absence of strong public policy pressure groups.<sup>17</sup> In addition, communalism, regionalism, casteism, terrorism, people's apathy and infighting within various political parties, factionalism and groupism have also been responsible for poor policy implementation. Cooperation and coordination among different governmental organisations part of policy implementation should be ensured and people should be involved in the process of policy formulation and execution so that right policies are framed and implemented.

## Policy Evaluation

It is extremely important that public policies should be properly evaluated and appraised to determine how far they have been successful in achieving their objectives; to find out what factors have contributed to their success or failure; and to understand what modifications or changes should be made in them to ensure their effectiveness. There are many organisations, institutions and agencies involved in the task of evaluation of policies. Some of these are discussed here.

**Planning Commission**, which is the fountain head of many policies, has a plan-evaluation organisation to evaluate state policies and programmes under the Five Year Plans. It undertakes a midterm review of the ongoing Plans. The states have their state planning boards which also periodically evaluate their plans and programmes.

**Parliamentary Committees**, such as Public Accounts Committees, Estimates Committee and Committee on Public Undertakings, in their reports presented to the Parliament devote substantial part to evaluation of the executing of policies and make suggestions and recommendations for removing defects and discrepancies in them and to evolve new policies to make them more effective. The committees comprising members of Parliament are attached to every ministry/department. Their meetings are convened by the ministers concerned where they evaluate the public policies and exchange views and ideas to reach a consensus for adoption of right policies.

The **Comptroller and Auditor General of India** in his or her annual report submitted to the Parliament critically evaluates the government policies and elaborates how far certain policies have not been able to achieve the designated objectives and what modifications should be undertaken to ensure their effectiveness. It also explores the methods of optimum utilisation of funds provided for various

programmes. The report also points out the irregularities and wastage committed in the execution of policies and recommends suitable action against the authorities at fault.

Public policies are evaluated constantly by **political parties**. Non-ruling parties express their views on government policies for public consumption through platform, press and electronic media. Election manifestoes of different political parties include criticism of policies being pursued by the existing government and the measures they promise to take to rectify them or usher in new policies for the well-being and welfare of society.

**Non-government organisations** (NGOs.), voluntary organisations and associations meant for varied purposes are also engaged in the evaluation of public policies. For instance, Help-Age India and Care-Age India evaluate the government policies concerning senior citizens and old age people and suggest to the government what policies should be adopted for the well-being of the elderly.

Public policies are evaluated by the **media** also. Various pronouncements of government policies are mentioned in the newspapers and broadcast on radio and television. The public reaction to these policies can be both favourable and unfavourable depending on the context of their evaluation by the concerned sections of society.

Public policies are evaluated by the **editors** of important newspapers in their editorials wherein they discuss the pros and cons of policies. Every day editorials appear in various newspapers on one public policy or the other. Our nuclear policy which was made a target of criticism by vested interests inside and outside the country after Pokhran-II nuclear explosion in May 1998 was vehemently defended in the editorials and international opinion was brought around our justification for going nuclear.

**Seminars and conferences** are also organised by various organisations or the academia to assess the impact of certain policies. Our foreign policy, defence policy etc., have been discussed and evaluated at various national and international seminars and conferences to impress upon the world community our genuine concerns for peace and cooperation among various countries for progress and prosperity of their people.

**Research papers** with public policies as their theme and focus are contributed by distinguished academics, and specialists for publication in journals and magazines of repute. The *Indian journal of Public Administration*, the Quarterly journal of Indian Institute of Public Administration, New Delhi has published some illuminating articles on public policy formulation, implementation and evaluation in some of its issues. Numerous books are published on the subject for the benefit of students of political science, public administration and economics and the general public.

Some research institutes are also engaged in the task of evaluation of public policies. To mention a few of these, Centre for Policy Research examines the effectiveness of various public policies. The Indian Defence Research Institute concentrates on the evaluation of defence policies and our defence preparedness. The Institute of Foreign Trade looks into the effectiveness of the commercial policies of the government.

**The Reserve Bank of India** evaluates the monetary and fiscal policies of the government and presents its view in its review on currency and finance situation of the country. Similarly, the Institute of Public Finance and Policy evaluates the policy with regard to public finances of the country.

**International and regional institutions, Commonwealth Secretariat** as also the World Bank, International Monetary Fund and other International Agencies like WHO, UNICEF, ILO and UNESCO evaluate Indian public policies relating to their concerned fields in their annual reports.

Experts and **specialists** in various fields make a significant contribution to the evaluation of the public policies by examining them dispassionately. Sometimes the government solicits their opinions on various policies and seeks their advice for right policy decisions. Prime Minister Shri Atal Bihari Vajpayee has

sought a meeting with Prof. Amitya Sen who has been awarded Nobel Prize for his Welfare Economics to know about his views and opinions for our policies on economic growth, development and welfare of poor sections of society.

The **universities** also evaluate and appraise public policies through research on various policies. Research is conducted by the universities in the form of doctoral work conducted by students and research undertaken by the faculty on topics such as the reservation policy, empowerment of women, Panchayati Raj institutions, urban local bodies, rural development programmes etc.

The role of various organisations, institutions and agencies in the evaluation of public policies is indeed encouraging and commendable. But it is regrettable that their findings and suggestions made for formulation of right policies and ensuring their effective implementation are not given due consideration and proper application by the government. It is desirable and advisable that the evaluation reports of the public policies should be accorded due weightage in the formulation and implementation of policies to serve the interests of the country and its people in the best possible manner.

## Status of Policy Study in India

Despite the importance and relevance of public policy in solving problems afflicting our society and the need for eradicating the evils of poverty, illiteracy, diseases, shortage of power, communalism, violence, exploitation of weaker sections of society, gender inequality, corruption etc., public policy management has not been given due attention in our country especially when there is dire need of right policies to meet the expectations, hopes and aspirations of our people which have multiplied manifold after the achievement of Independence. It is only because of lack of proper understanding of public policy, its formulation, implementation and evaluation that even after 62 years of attainment of freedom, a large section in India does not have access to basic amenities and services such as clean drinking water, housing, proper nutrition etc. The importance attached to public policy may be considered higher in the Western countries, especially in the USA, where passing of laws is looked at as only the first step, and the actual benefits accruing to society are considered as the real test of policy. There is a firm belief among the policy makers as well as the people that problems of poverty, racism, crime, public housing, urban renewal, air and water pollution, public assistance etc., can be solved only through the adoption of right policies. It is also felt that the study of public policy needs greater attention for various reasons. First, for scientific reasons, that is, to gain an understanding of the causes and consequences of policy decisions and to improve our knowledge about society. Second, an analysis of public policy as a dependent variable tells us about the environmental and political forces that shape the content of policy. Third, public policy as an independent variable can help us know what impact public policy has on the environment and political systems; and finally, as a result of the above mentioned enquiries, we can improve our understanding of the linkages between environmental forces and political pressures in public policy.

Public policy can also be studied for professional reasons: an understanding of the causes and consequences of public policy permits us to apply social knowledge to the resolution of practical problems. Factual knowledge is a prerequisite to addressing the ills of society. If certain ends are desired, then question of what policies would best help us achieve these ends is a factual question requiring scientific study.

Lastly, public policy can be studied for political purposes, to ensure that the nation adopts the right policies to achieve the right goals. In short, policy studies can be undertaken not only for scientific and professional purposes but also to inform political discussions, advance the level of political awareness and improve the quality of public policy.<sup>18</sup>

It is for the above mentioned reasons that public policy is provided as a course of study—as an academic discipline in numerous colleges in the USA and many universities there have exclusive departments of public policy.

Whereas in our country, unfortunately, the study of public policy management is conspicuous by its absence not only as an independent academic subject but does not even form a part of the courses of studies in political science, public administration, economic and public management. Literature on public policies is scarce and scant except for a few articles appearing rarely in a couple of journals. Our politicians, members of the legislatures, ministers and civil servants are seldom exposed to the knowledge and techniques of policy formulation, implementation and appraisal through seminars, symposia conferences or training programmes.

The other factors responsible for the neglect of policy management in our country can be easily identified as follows:

There is no clear cut division of areas to be operated by the central and state governments in respect of public policy formulation notwithstanding the fact that our Constitution being federal in character divides powers between the central and state government through central, state and concurrent list of subjects. 'Law and order' is a state subject but the central government has to intervene for maintenance of peace within the states concerned to which the latter vehemently protest.

Similarly education being put on the concurrent list by the 42nd Amendment of the Constitution causes problems in the formulation of education policy between the centre and states. Again, constitution of special tribunals for trial of corruption cases is claimed as a right by the Tamil Nadu government, but the central government insists that it is within its powers. Identical problems arise in the matter of power generation, water resources etc., which it would be appropriate to be assigned to the central government exclusively.

The instability and short terms of governments also result in inadequate policy formulation. There have been five governments at the centre during the last eight years. The governments exhibiting sense of insecurity and succumbing to the pressure of their coalition partners of different ideologies cannot be in a position to take fair and reasonable policy decisions. The shifting of senior bureaucrats from one ministry to the other frequently without granting them a fixed tenure of at least three years has also contributed to their lack of proper interest and stamina in the expeditious execution of the government policies. The advice of the professionals in their respective fields of expertise is also hardly sought to make the public policies faultless. Above all, public in general or the sections of society affected by a specific policy are seldom consulted or their opinion is sought while formulating a public policy. This results in protests, strikes demonstrations, gheraos, violence etc. It could be mitigated or even eliminated by taking into consideration the opinion of the public for whose welfare the policies are created.

## REFERENCES

1. Thomas R. Dye, 1978, *Understanding Public Policy*, Englewood Cliffs, N. J.: Prentice-Hall, p. 3.
2. R. K. Saprú, 1994, *Public Policy Formulation, Implementation and Evaluation*, New Delhi: Sterling, p. 8.
3. David Easton, 1953, *he Political System*, New York: Knoph, p. 129.
4. Harold D. Laswell and Abraham Kaplan, 1970, *Power and Society*, New Haven: Yale University Press, p. 71.
5. Carl J. Friedrich, 1963, *Man and His Government*, New York: McGraw-Hill, p. 70.
6. Quoted by Dalton E. Mc-Farland, 1996, in *Management Principles and Practices*, New York: Macmillan, p. 91
7. *Ibid*, p. 122.

8. Martin K. Starr 1971, *Management: A Modern Approach*, New York: Harcourt Brace, Jananovich Inc, p. 305.
9. Hudson Seelar, 1957, *Organisation and Management—Theory and Practice*, Washington D. C.: The American University Press, p. 71.
10. E. N. Gladden, 1953, *Essentials of Public Administration*, Chapter V, London: Staple Press.
11. R. K. Mishra, 1998, 'Some Dimensions of Public Policy Management in India', *The Indian Journal of Public Administration*, XLIV (2), April–June New Delhi: The Indian Institute of Public Administration..
12. McFarland, *op. cit.*, p.130.
13. For details refer to Starr, *op. cit.*, pp. 425–28.
14. Refer to Charles E-Lindblom, 1968, *The Policy Making Process*, Englewood Cliffs, N. J.: Prentice Hall.
15. Paul H. Applebey, 1949, *Policy Administration*, University of Alabama Press, p. 7.
16. Kuldip Nayar, 1998, 'Wrong Priorities Meeting Targets is not enough', *The Tribune*, 23 December.
17. S. N. Sadsivan, 1985, 'Dynamics of Public Policy', *Indian Journal of Public Administration*, 31 (4), October–December, pp. 31–39, New Delhi.
18. Thomas R. Dye,, 'Why Study Public Policy?', *op. cit.*, pp. 5–6.