

OCCASIONAL PUBLICATION 62



Challenges of Good Governance

The views expressed in this publication are solely those of the author and not of the India International Centre.

The Occasional Publication series is published for the India International Centre by Cmde. (Retd.) R. Datta.

Designed and produced by Image Print, Tel. : 91-11-41425321, 9810161228

Challenges of Good Governance*

Economic growth and social outcomes

Despite high economic growth in the last two decades and increased Central financial allocations for the social sector, India may not be able to achieve its Millennium Development Goals (MDGs) by 2015 in respect of hunger, health, gender and sanitation. In addition, a large number of marginalised and disadvantaged people, such as tribals in central India, have either not gained from development or in many cases have actually been harmed by the process. Weak governance, manifesting itself in poor service delivery, uncaring administration, corruption and uncoordinated and wasteful public expenditure, are the key factors impinging on development and social indicators. It is a matter of concern that India's pace of improving the social indicators is much slower than countries poorer than India such as Bangladesh and Vietnam.

This paper seeks to answer the puzzling question as to why economic growth in India is not leading to better social outcomes, and what needs to be done to bridge the gap.

The argument that the Indian State has become indifferent to the poor after liberalisation appears weak in the face of vast increases in Central sector allocations by the Government of India (GOI) in the last decade through several flagship programmes in the social sector, as shown later.

This paper seeks to answer the puzzling question as to why economic growth in India is not leading to better social outcomes, and what needs to be done to bridge the gap.

*2014 Durgabai Deshmukh Memorial Lecture delivered by Dr. N.C. Saxena at the India International Centre on July 15, 2014.

Table 1: Central Plan Outlay in billion ₹ (1 \$ = 60 ₹)

	1999-00 (actual expenditure)	2013-14 (BE)
Rural Development	85.52	744.78
Elementary Education	28.52	527.01
Health & Family Welfare	41.82	332.78
Women & Child Development	12.50	204.40
Water & Sanitation	13.10	152.60
Total	181.46	1961.57

(Source: Various Central government budget documents at indiabudget.nic.in)

This paper analyses the reasons for poor progress on social indicators and offers a few practical suggestions that could overcome the constraints of poor governance and weak accountability, and help India in putting up a better show. Thus, the allocation for subjects assigned for the states has gone up by more than ten times, though the price index¹ only doubled during the period 1999 to 2013. Apart from signifying a radical change in Centre-State fiscal relations (discussed later in this paper), the increased interest of the Centre in social subjects which are constitutionally in the states' domain has presented a unique opportunity to accelerate social development and to cover the gap between the desired MDGs and their present levels. However, unless bottlenecks impeding programme delivery at the state and cutting edge level are identified and remedial action taken, attaining the Goals by 2015 is unlikely. This paper analyses the reasons for poor progress on social indicators and offers a few practical suggestions that could overcome the constraints of poor governance and weak accountability, and help India in putting up a better show. My particular focus is on higher bureaucracy, specially the Indian Administrative Service (IAS), because of its leadership role in administering the social sector in India.

Unfortunately, it is in bad shape, not least because of the political compulsions imposed upon it. Many reforms that are neutral to the Indian political economy can certainly be attempted, as argued later in the paper.

The paper therefore examines several of the serious problems that higher bureaucracy faces: a lack of professionalism, the creation of redundant posts, short tenure, unsatisfactory structures of reward and punishment, and an inability to deliver services adequately. It then suggests steps which an increasingly proactive Central government might take to address these problems at the State level in India's federal system, where they are most apparent. It is hoped that the new government in Delhi which has won the April-May 2014 elections on the promise of 'minimum government with maximum governance' will achieve this goal by focussing on monitoring and assessment of outcomes; linking transfers of funds with performance by state governments; and enhancing outward accountability to society and citizens. It is widely believed that the massive turnout of voters in these elections and their clear verdict in favour of a single political party² reflects people's aspiration for better governance, which the new government must address satisfactorily.

The emerging political climate in India

It is generally believed that politics in India (right from the grassroots up to the State level) has become a business. Politicians put pressure on the system with a view to maximise private gains. Political pressure can be healthy if it results in greater demand on administration for efficiency and better services to the people. Pressures properly regulated and wisely tempered improve the spirit of administration and help to keep it on an even keel. Unfortunately, the main problem today is that politics in many states has itself become divorced from public welfare and is more concerned with narrow sectarian interests. An impression exists that people have low expectations from political processes (except for personal favours or in purely caste and communal terms), as their economic interests are to be taken care of by the market forces. This impression is more prevalent with the district-level politicians who can always blame the Government of India for price-rise, unemployment, lack of resources, etc.

Therefore, as far as they are concerned, the State machinery can be milked dry through rent-seeking behaviour without any harm to their political interests of getting re-elected. Politicians think that electoral behaviour can be manipulated through precipitating caste or other populist waves at the time of elections, which does not require sustained work in the constituency for enhancing public goods. At the same time, elections require funds which have to come through the looting of the Government treasury. People too contact MLAs for seeking personal favours, but not for improving the quality of public services.

In a well-functioning democracy, the political process would ideally find answers to governance problems, but this is not happening in India. The political system in many states is accountable not to the people but to those who are behind the individual MLAs; these are often contractors, mafia, corrupt bureaucrats and manipulators who have made money through using the political system, and are therefore interested in the continuation of chaos- and patronage-based administration. The fact that half of the politicians in some states are either criminals or have strong criminal links and thus have no faith in the rule of law further compounds the problem.

A paper brought out by the Department of Administrative Reforms for a conference on the occasion of Civil Services Day 2009 observed:

For a variety of reasons, elections as an instrument for external accountability have some well known weaknesses. In India, these weaknesses are exacerbated by the particular nature of the evolution of Indian democracy. Politics in India is marked by a conception of competition where to hold the state accountable is to gain access to its power and the goods it provides. Clientelism and patronage are rife and voters are mobilized more on the politics of caste, regional or religious identity than on the politics of accountability and initiatives that bring long term benefits to the public as a whole. Consequently, the state and its apparatus, including the bureaucracy are treated not so much as a means of generating public goods but as a means of generating benefits for the particular group that controls the state (GOI 2009).

The Legislative Assemblies have been meeting for very few days, though holding the State to account for results through informed debates in the Assemblies should be the main task of the MLAs.³ Today many Legislative Assemblies meet only for 20 to 30 days in a year. The current Haryana Legislative Assembly has only held 10 sessions from 2009 till March 2014, meeting for a total of 54 days—an average of 11 days per year.⁴ The Assemblies for UP, Gujarat, Punjab and Uttarakhand sat for an average of 22, 31, 19, and 19 days respectively each year. In comparison, the 15th Lok Sabha (2009-14) sat for an average of 69 days each year from 2009 to 2014. However, there have been too many adjournments and disturbances in the Lok Sabha, vastly reducing the number of hours spent on meaningful discussions.

Most MLAs are not interested in the legislative functions; they all want a share in the executive! Most of the time they interfere in the executive wing of Government with no sense of accountability, but they have nuisance value for back-door influencing in transfers and postings of officials, contracts and licenses. Such back-seat driving means informal control over the bureaucracy, but it promotes irresponsible decision-making and encourages corruption. The constitutional separation between the executive and the legislature has disappeared in India. This has resulted in erosion of internal discipline among civil servants who think that the government is not a level playing field, that one cannot expect fairness from government, and one has to approach the politicians with offers of bribes and the right kind of contacts for favours, whether due or not.

Declining Civil Service performance

The All India Services are supposed to serve the State but the State structure is itself getting increasingly dysfunctional and diminished. In some north Indian

The constitutional separation between the executive and the legislature has disappeared in India. This has resulted in erosion of internal discipline among civil servants who think that the government is not a level playing field, that one cannot expect fairness from government, and one has to approach the politicians with offers of bribes and the right kind of contacts for favours, whether due or not.

states, parallel authority structures and Mafia gangs have emerged. In such a situation, it is no surprise if the bureaucracy too is in a bad shape. There is greater integration now both socially and in terms of group objectives between the members of the All India Services and the politicians of that state. Many civil servants are deeply involved in partisan politics: they are preoccupied with it, penetrated by it, and now participate individually and collectively in it. This is understandable, though unfortunate, because between expression of the will of the State (represented by politicians) and the execution of that will (through the administrators) there cannot be any long term divergence. In other words, a model in which politicians will continue to be casteist, corrupt and harbourers of criminals, whereas civil servants would be honest, responsive and change-agents is not a viable model. In the long run, administrative and political values have to coincide.

Theories of organisation distinguish between healthy and unhealthy organisations. In the former, objectives are clearly spelt out and widely shared by the members and there is a strong and consistent flow of energy towards these objectives. Problem-solving is highly pragmatic and ideas of the boss are frequently challenged. There is team work and sharing of responsibility. Judgment of junior members is respected, and minor mistakes are permitted. There is a sense of order, and yet a high rate of innovation. There is a performance yardstick and hence a challenge to perform and achieve. Mediocrity is shunned and those who choose not to grow or develop get dropped by the wayside. The sense of belongingness is inherent in the achievement of the organisation of which the individual is an integral part.

On the other hand, in government, goals and objectives are seldom spelt out clearly. If and when they are, it is expressed in a language which sounds more as aspirations or platitudes. The language is purposefully vague and foggy. Therefore, there is very little personal involvement of officers. Ignorance of the organisational goals or objectives exists down the line because of lack of transparency. Seeking or accepting help is considered to be a sign of weakness. Offering help is unheard of. Assuming responsibility for failures is inversely proportional to seniority, with rare exceptions. Oral orders from politicians are obeyed ignoring written circulars.

If power is abused, or exercised in weak or improper ways, those with the least power—the poor—are most likely to suffer. Weak governance compromises the delivery of services and benefits to those who need them most; the influence of powerful interest groups biases policies, programmes and spending away from the poor; and lack of property rights, police protection and legal services disadvantage the poor and inhibit them from securing their rights. Thus, poor governance generates and reinforces poverty and subverts efforts to reduce it. Strengthening governance is an essential precondition to improving the lives of the poor.

...poor governance generates and reinforces poverty and subverts efforts to reduce it. Strengthening governance is an essential precondition to improving the lives of the poor.

For instance, teachers need to be present and effective at their jobs, just as doctors and nurses need to provide the care that patients need. But they are often mired in a system where the incentives for effective service delivery are weak, and political patronage is a way of life. Absenteeism is rampant though seldom measured. Highly trained doctors do not wish to serve in remote rural areas. Since those who do get posted there are rarely monitored, the penalties for not being at work are low. Even when present, they treat poor people badly.

Are politicians alone to be blamed?

To be charitable to the modern brand of politicians, it must be admitted that except for high integrity, neutrality towards party politics, and provision of minimal administrative services in times of emergency, the civil service even in the past had little to commend for itself. Efficiency in the civil services was always very narrowly defined; it was in terms of contempt for politics and adherence to rules, but never in terms of increased public satisfaction. In such an environment of low institutional capacity, it is unfair to expect that the political processes would be totally free from populism or sectarianism. Because of the inability of the system to deliver, politicians do not perceive good governance as feasible or even important for getting votes.⁵ Only a rare chief minister seems to be saying to his constituents: 'within three months all canals would run on time, you would get 16 hours of electricity, rations would be available for the poor, you apply for

a license today and within a month it would reach your doors, your grievances will be promptly attended to, etc.' One reason why he does not say so is the total lack of faith on the part of voters in such promises which need time-bound delivery through the administrative apparatus. It is here that the civil service has failed miserably. Politics is after all 'art of the possible', and if the civil service is no longer able to ensure delivery of services, politicians are forced to resort to cheap and unsustainable populism in order to reach at least some benefits to the people to keep the faith of the voter alive in the political system.

Although many civil servants hold the view that it is the nature of politics which largely determines the nature of the civil service and the ends to which it would be put, and therefore civil service reforms cannot succeed in isolation, causation is also in the other direction. Non-performing administration leaves little choice to the politicians but to resort to populist rhetoric and sectarian strategies.

Perverse incentives are not the only factor undermining the effectiveness of the bureaucracy. Its composition is also skewed. For instance, in most states, about 30 per cent of all government employees are support staff unrelated to public service—drivers, peons and clerks. Key public services—education, healthcare,⁶ police and judiciary—are starved of regular employees, whereas many wings are overstaffed with Group 'C' & 'D' support staff that has become mostly irrelevant in view of computerisation and changing techniques of information management. For instance, of the total 3.5 million regular employees under the Central government, 63 per cent were holding Group 'C' posts and 26 per cent were in Group 'D' posts. About 8 per cent were holding Group 'B' posts whereas employees holding Group 'A' posts who are to provide leadership were only about 3 per cent.⁷ Though many group 'C' staff such as nurses and constables are providing meaningful service, there are still many clerks who just maintain files (and whose exact number is not known) who can be done away with. Same is true of peons, orderlies and drivers in Group 'D' category. Singapore also had 67 per cent Group 'C' & 'D' staff in 1970 but by 2008 it was reduced to just 20 per cent, whereas the share of Group 'A' staff increased from 5 to 52 per cent (Saxena 2011).

Efforts should therefore be made to identify surplus support staff, set up an effective re-deployment plan and devise a liberal system for exit. There should be incentives for clerks and class IV staff to become teachers and constables.

Who will initiate reforms?

A question arises, will this degeneration continue forever, or are there signs of change? My reading of the situation is that the rise of the middle class along with free press, judicial activism and civil society action has emerged as a big corrective factor on the arbitrary use of executive power. With the demolition of the licence-permit Raj and liberalisation, there has emerged a significant non-political group of professionals, journalists and academicians who are entirely independent of government, and therefore lose nothing by taking government to task for failure to perform. Their bread and butter would not be dependent upon the bureaucrat's smile and they are the ones who would be at the forefront of a campaign against bureaucratic and political indifference and poor performance. It is a healthy trend that the monopoly of capital, the monopoly of power, the monopoly of authority which government enjoyed in the past has broken down today. However, these new pressures seem to be more effective at the Central level, and not so strong in the states, where these are needed more. It is significant that rights-based development, even when not requiring huge funds in all cases, did not originate from the states and were largely initiated by the Centre. Therefore, it is the Central government that is likely to be more responsive to public opinion, as witnessed in GOI's recent initiatives on various rights-based legislations, such as Right to Information, Right to Employment, Forest Rights Act, Food Security Act and lately the Grievances Redressal Bill.

The vicious cycle of distortions in politics leading to bureaucratic apathy (and vice versa), and both resulting in poor governance can be set right through

A question arises, will this degeneration continue forever, or are there signs of change? My reading of the situation is that the rise of the middle class along with free press, judicial activism and civil society action has emerged as a big corrective factor on the arbitrary use of executive power.

taking a large number of simultaneous measures. A discussion on political and electoral reforms⁸ (restriction on the number of ministers through law has been a good beginning; it could now be extended to posts declared equivalent to ministers' status, or to restricting criminals from becoming legislators), though absolutely vital, is outside the scope of this paper. However, some rogue states in India, such as UP and Jharkhand, have lost the dynamism and capacity to undertake reforms on their own without any external pressure. These states are ruled by people who understand power, patronage, transfers, money, coercion and crime. The language of professionalism, goal orientation, transparency, building up of institutions and peoples' empowerment is totally alien to them.

Even when some chief ministers such as Chandrababu Naidu and Digvijay Singh tried to improve governance in the last decade, they lost the elections, giving an impression to the politicians that good governance is not compatible with political survival. Happily, there is a definite perceptible change in the electoral behaviour of the Indian masses in the last 10 years that gives hope that improving programme delivery may overcome incumbency and lead to electoral victories, as in Gujarat, Bihar, Chhattisgarh, Odisha and MP. That governance was an important political issue in the recent national elections is certainly a very healthy sign.

There has been a growing realisation among some chief ministers on the need to improve governance, but unfortunately only a few have been able to translate this into concrete action. This would necessarily involve keeping the MLAs and ministers under check, which is difficult when the state is under a coalition regime, or the ruling party is constrained by a thin margin in the Assembly, or is divided into factions. The reformist chief minister is often at odds with his own party officials who hate getting sidelined in the process of establishing rule-based policy procedures. In many other states, even chief ministers seem to be averse to professionalising administration. They think that benefits from such policies are delayed whereas costs are immediate. As the general expectation of a government lasting a full term of five years is low, politicians try to maximise their gains from office and minimise their accountability for performance (Sud 2010).

When neither politics nor administration has the capacity for self-correction, only external pressure can coerce states to improve governance and delivery to the poor. In the Indian situation (where foreign donors provide very little aid to the states as compared with what is provided by the Centre), this can come only from the Centre, backed by strong civil society and judicial action.

Conditions under which the civil servants operate in the social sector ministries in GOI are somewhat different from the work environment prevailing in the states. First, the Central government joint secretary does not control field staff and is therefore free from the pressures of transfers and postings, which occupies most of the time of a state secretary. Second, his/her tenure in GOI is for five years, which facilitates growth of professionalism. In the states, when officers expect that they would be transferred within six months, there is hardly any incentive to perform or acquire domain knowledge. Third, Central government officials are more in touch with experts, donors and specialists, and therefore are under peer group pressure to learn their subject and be able to converse with the professional experts on equal terms. In some cases, where GOI ministries (such as in Education and Health) have started behaving like donors and monitor outcomes intensively, results in the field are more satisfactory than in the ministries, such as Tribal Affairs, Food and Civil Supplies, and Women and Child Development, which are content with merely the release of funds or foodgrain with little knowledge of how these funds are spent. And lastly, whereas the economic ministries in GOI are mired with rumours of grand corruption, the social sector ministries, such as Rural Development, Elementary Education,⁹ etc., despite their colossal budgets, hardly face bribery charges as almost the entire budget is passed on to the states.

The larger role that the Union Ministries ought to play in improving states' capacity to deliver has been facilitated by the changing Centre-State fiscal relations, giving greater clout to GOI over the states, as discussed in the next section.

Changing Centre-State fiscal relations

Although implementation of social sector programmes is under the domain of the state governments as per the Constitutional arrangement, these are

increasingly being funded by the Central government (see Table 1). Due to fiscal constraints faced by the poorer states, Centrally Sponsored Schemes (CSS) are often the only schemes at the field level in the social sector that are under operation, as these states spend most of their own resources and borrowings on just meeting the essential non-plan expenditure (interest, salaries, pensions and subsidies). This has given rise to an impression amongst the common masses that 'development' is the responsibility of the Centre, a view which is not supported by the Constitution.

States receive plan funds from GOI through two routes; from the Planning Commission as untied support to states' plans (called Normal Central Assistance), and via the Centrally Sponsored Schemes of GOI ministries, which are tied to a scheme. The proportion of tied funds in total plan transfers to the states has been increasing steadily over the last three decades, from one-sixth in the early 1980s to more than fourth-fifth¹⁰ of the total, now leading to a criticism that the Centre has enlarged its turf at the cost of the states.

One of the reasons for this increase is rooted in the changes that have taken place in the nature of central ministries' plan schemes that are funded by the budget over the last 30 years are shown in Table 2.

Table 2: Percentage Distribution of Central Plan Outlay Supported by the Budget through GOI Ministries by Heads of Development

Head of Development	VI Plan 1980-85	VII Plan	VIII Plan	IX Plan 1997-02	X Plan 2002-07
Industry and Minerals, Energy, and Communications	51	44	25	17	16
Agriculture, Irrigation, RD & Social Sector	33 ¹¹	41	63	61	64

(Compiled by the author on the basis of Plan and Budget documents)

The Centre spends more money on State subjects than on the Central subjects, perhaps as a consequence of liberalisation as well as growth in profits of central parastatals (such as NTPC, oil companies), because of which the Centre's budgetary involvement in the industry and energy sectors has vastly reduced, permitting the Centre to allocate more on subjects traditionally under the purview of the states.

Centrally Sponsored Schemes were originally to be formulated only where an important national objective such as poverty alleviation was to be addressed, or the programme had a regional or inter-state character or was in the nature of a pace-setter, or for the purpose of survey or research. However, the CSS have proliferated enormously, and in the terminal year of the Eleventh plan (2007-12), there were approximately 300 CSS.

These trends should also be seen in light of the changing political economy of the Centre-State relations in India. With the decline of the Congress Party, regional parties and those built on sectional interests have gained importance. While, as we noted above, states have become dependent on the Centre economically, they have become increasingly politically independent and indeed, powerful. As subjects under states' jurisdiction are politically more important (land, water, law and order, education and health), the Centre has often used the funds for Centrally Sponsored Schemes as a tool to enhance its political visibility at the ground level. The Prime Minister's speech to the nation on the 15th of August every year concentrates more on what the Central government is doing on subjects under the states' jurisdiction than on subjects with the Centre.

The Government of India has increased its control over the State¹² sector in three ways: firstly, through substantial funding of CSS; secondly, much of it goes straight to the districts, bypassing the states and thus placing district bureaucracy directly under the supervision of the GOI,¹³ and thirdly, even externally funded projects on state subjects such as water and health that are part of State plans and not CSS need GOI clearance.

The enhanced control by the Centre on social sector through CSS should be seen in the context of a sharp deterioration in the states' capacity to design and

efficiently implement programmes. There is enough evidence to show that the state governments' capacity to deliver has declined over the years due to rising indiscipline and a growing belief widely shared among the political and bureaucratic elite that the State is an arena where public office is to be used for private ends. Immediate political pressures are so intense that there is no time or inclination for the State level politicians and bureaucrats to do conceptual thinking to design good programmes, weed out those that are not functioning well, and monitor the programmes with a view to take remedial action to improve the effectiveness of delivery.

Problems with centralisation

On the other hand, too much control by GOI dilutes the sense of ownership of states with the schemes, whereas it is difficult for the GOI to effectively monitor the progress in the 640 districts spread over 32 states. Most schemes follow a blue print and top-down approach, with little flexibility given to field staff. Any change in the scheme requires approval from GOI which is time-consuming. Uniformity of schemes all over the country from Mizoram to Kerala, without sufficient delegation to states to change the schemes to suit local conditions, leads to a situation where the states even knowing that the scheme is not doing well become indifferent to its implementation. For instance, in the Indira Awaas Yojana,¹⁴ it is compulsory to build toilets with the house for which a grant of over ₹50,000 is given. In many villages there is no arrangement for water, and hence these toilets were never used. However, states have not been given any discretion to change the pattern of funding. Similarly, there are regions in India, where labour is scarce, such as the north-eastern and north-western states. However, public works under NREGA are carried out in these regions too, for which the field staff employs labour from other regions, but records are fudged to show employment of local labour. It would be much better if the states have discretion in deciding the mix of poverty alleviation programmes. However, GOI guidelines are rigid and give no such flexibility to the states.

Most government schemes are generally meant to continue till the end of the world; however, the world may have changed in the meanwhile. Many CSSs have been in operation for more than 10, and some even for 30 years. This period has seen several political parties in power at the Centre and State levels. The result is that the party in power has no sense of ownership with the existing schemes, although it also does not wind it up either because of bureaucratic resistance or sheer lethargy. Greater political advantage is seen in announcing new schemes on the 15th of August or at the time of the budget, with the result that the number of schemes keeps on increasing. Often the old schemes are refurbished under a new name with some cosmetic changes to drive political mileage associated with the launch of a new scheme.

Many states are ruled by a political party different from that at the Centre. These governments do not put their weight behind CSS formulated by the Union Government as they see no political advantage in successful implementation of such schemes. The successful implementation of social sector schemes requires a high degree of political commitment (mid-day meal scheme of Tamil Nadu, EGS in Maharashtra, Antyodaya in Rajasthan, and ₹2.00 rice in Andhra are examples) and administrative coordination, which GOI cannot secure for want of control over the staff. The Planning Commission has observed (MTA 2000) that the implementation of State-sponsored anti-poverty schemes in Rajasthan, Tamil Nadu, Gujarat and Karnataka was far better than that of Centrally-sponsored programmes in the same state.

States do not release the counterpart funds in time, leading to uncertainty about the availability of funds at the field level. Even the release of GOI funds to the field is held up for several reasons. First, the states have to get legislative approval for GOI schemes, which takes time. Second, states do not attach importance to the spending on CSS and thus are in no hurry to sanction expenditure. And third, fiscal problems¹⁵ at the state level force the states to divert GOI funds for paying salaries. States' burgeoning fiscal problems thus exacerbate this trend.

Is greater allocation for state plans the answer?

Despite these problems, it must be admitted that reducing funds for CSS and devolving more untied resources to the states for state plans in the spirit of decentralisation will improve efficiency, at least in the poorer and badly governed states, only if it is accompanied with improving governance and accountability. In many states, releases by the State Finance Departments to the districts for state's own schemes are highly adhoc, uncertain, delayed and subject to personal influences. Faced with the inordinate delays in releasing of money by the Finance Departments in the states, many Central ministries, such as R & D, Education and Health have opted for releases to district or state level societies for receipt of funds directly from the Central government, bypassing the state governments. While this may improve the flow of fund position to the field, ignoring State legislatures has long-term implications and is at best a temporary solution. In the long run we must improve the fiscal discipline of the states, so that credibility and integrity of the budget process is preserved.

As GOI would be reluctant to replace CSS by untied grants, a more practical suggestion would be to reduce the number of CSS and use time thus saved in capacity building, inter-sectoral coordination and detailed monitoring by the Central ministries. CSS compare unfavourably with EAPs (Externally Aided Projects) as far as the practice of frequent reviews and evaluations are concerned. Third party reviews should be periodically undertaken, such as in SSA and NRHM, which have the desired effect of putting mild pressure on the states for improving implementation. Third party assessment of programmes combined with other civil service reforms will certainly improve bureaucratic accountability which is so far confined to only spending money with little concern for outcomes.

Therefore, considering that the states would need external pressure on them to improve outcomes, certain control by GOI over schemes is necessary, till such time as the states show signs of improvement in governance. GOI should also consider how governance can be improved at the state level by using instruments of control available to the federal government, without needing any change in the Constitution to provide greater say to the Union over delivery of programmes.

Administrative reforms

A rigorous process of recruitment for the higher civil services in India ensures that the best talent available in the society joins the civil service. However, despite initial competence and enthusiasm, the hard reality is that many civil servants in the course of 30 years of their career lose much of their dynamism and innovativeness, and end up as mere pen-pushers and cynics, with no faith in their own contribution to public welfare.

Many problems of bureaucracy in India are quite old and well-known. Obsession with rules rather than concern for outcomes, promotions based on seniority rather than merit, delays and mediocrity at all levels are some of the factors inhibiting efficiency in government. Many citizens find bureaucracy in India too slow, extremely rigid and mechanical, and consequently not flexible and adaptive to cope with change. These have been compounded by the recent political changes (described earlier) that have crippled professionalism in the civil service.

In addition to addressing the problems caused by the external environment, we need to look at some of the maladies afflicting the attitudes and work ethic of the top civil service, the IAS, which is supposed to provide leadership at the state and district level.

Lack of professionalism: A high degree of professionalism ought to be the dominant characteristic of a modern bureaucracy. The fatal failing of the Indian bureaucracy has been its low level of professional competence. The IAS officer spends more than half of his tenure on policy desks where domain knowledge is a vital prerequisite. However, in the present environment prevailing in the states, there is no incentive for a young civil servant to acquire knowledge or improve his skills. There is thus an exponential growth in both, his ignorance and arrogance. It is said that in the house of an IAS officer one would find only

A rigorous process of recruitment for the higher civil services in India ensures that the best talent available in the society joins the civil service. However, despite initial competence and enthusiasm, the hard reality is that many civil servants in the course of 30 years of their career lose much of their dynamism and innovativeness, and end up as mere pen-pushers and cynics, with no faith in their own contribution to public welfare.

three books—the railway timetable, because he is always being shunted from one post to the other, a current affairs magazine because that is his level of interest, and of course, the civil list that describes the service hierarchy! An important factor which contributes to the surrender of senior officers before political masters is the total lack of any market value and lack of alternative employment potential.¹⁶ Beyond government they have no future, because their talents are so few. Most IAS officers thus end up as dead wood within a few years of joining the service and their genius lies only in manipulation and jockeying for positions within government.

Creation of redundant posts: Due to the control that the IAS and the IPS lobbies exert on the system, a large number of redundant posts in the super-time and superior scales have been created to ensure them quick promotions. Often a senior post has been split, thus diluting and diminishing the scale of responsibilities attached with the post. For instance, in some states, against the post of one chief secretary there are many officers now in equivalent but far less important posts drawing the same salary. In one state, previously where one officer used to be the Secretary of Medical and Health, there are now five officers doing the job of one, four are in charge of health, family planning, medical, and medical education respectively, whereas the fifth one as Principal Secretary oversees the work of these four secretaries!

Two decades back there was only one IG Police in Punjab controlling the entire police force. Now there are 16 IGs, and to supervise their work there are 14 DGs and Additional DGs! The Ministries in GOI dealing with state subjects have seen tremendous expansion: the Agriculture Ministry has 18 officers of the rank of Joint Secretary and above!

This inverted pyramid (too many people at the top and too few in the lower rungs) is apparently to avoid demoralisation due to stagnation, but the net result has been just the opposite. First, it leads to cut throat competition within the same rank of officers to get into more important slots. The old camaraderie has given place to the rat race. Instances are not lacking when officers wanting a plum job,

say a foreign posting, have gone to the Press, denigrating their competitors. Second, this no-holds-barred competition is exploited by the politicians in playing one against the other, making officers more pliable. Third, for officers in marginalised positions, government seems remote, heartless and more unjust now than ever before, which results in demoralisation. Obsession among civil servants with what they can get from the system rather than what they can give is not conducive to achieving high professional standards.

Personnel issues

Appointments and transfers are two well-known areas where the evolution of firm criteria can be easily circumvented in the name of administrative efficacy. Even if the fiscal climate does not allow fresh recruitment on a large scale, a game of musical chairs through transfers can always bring in huge rentals to corrupt officials and politicians. As tenures shorten, both efficiency and accountability suffer. In UP, the average tenure of an IAS officer in the last five years is said to be as low as six months. In the IPS it is even lower, leading to a wisecrack that 'if we are posted for weeks all we can do is to collect our weekly bribes'.

According to a report published in the *Times of India* dated 1st January 2014,¹⁷ some of the frequently transferred officers include 1982 batch Himachal Pradesh cadre officer Vineet Chaudhary (transferred 52 times in 31 years), Assam-Meghalaya cadre officer Winston Mark Simon Pariat (50 times in 36 years), Kusumjit Sidhu of the Punjab cadre (46 transfers), Haryana cadre officer Keshni Anand Arora (45 transfers), in addition to the much talked about Ashok Khemka of Haryana cadre.

Transfers have been used as instruments of reward and punishment, there is no transparency, and in the public mind, transfer after a short stay is categorised as a stigma. Officers who are victimised are not in a position to defend themselves. Internally, the system does not call for any reaction to explain one's conduct, while externally public servants are debarred from going public to defend themselves.

As tenures shorten, both efficiency and accountability suffer. In UP, the average tenure of an IAS officer in the last five years is said to be as low as six months. In the IPS it is even lower, leading to a wisecrack that 'if we are posted for weeks all we can do is to collect our weekly bribes'.

Frequent transfers and limited tenures are playing havoc with public organisations. With every quick change in the head of office, a funereal air is noticeable and down the line the respect for authority is whittled away. Rapid changes erode the mandate of the department or organisation. There are two other consequences. The incumbent himself is not sure of how long he will stay. This affects his attention to detail, the capacity to master the situation and begin thinking, even incrementally, about how to change things and improve them. Since he is not too sure of what has to be done, the preference is to opt for whatever was tried out in the past and seemed to have sufficed. In the process, changes which may have been initiated by the predecessor are either disregarded or thought of as being disruptionist. Most public organisations do not possess the 'memory' which will absorb change and continue it even under adverse circumstances. Second, there are even more deleterious consequences down the line. Other staff in the organisation do not extend the commitment so necessary for change to be institutionalised. Their assessment is that everything new being temporary administrative improvement and practice, different from the ordinary way of doing things, represent the foibles or prejudices (at worst) of the incumbent, to be sent packing immediately on the departure of the officer. An attenuated hierarchy, which distorts intent and initiative, further impels the status quo.

The topic of reducing political interference is a sensitive one, for the right to transfer government servants is clearly vested within the political leadership under Article 310 of the Indian Constitution, which maintains that civil servants serve at the 'pleasure' of the ruling authorities. Yet few would disagree that this power is often abused by both government servants and politicians—the former in seeking prime postings, and the latter for a variety of legitimate and occasionally illegitimate reasons. The prime concern of the political executive now is not to make policies but to manage jobs and favourable postings for their constituents. This means a high degree of centralisation at the level of the State government and little accountability.

The Second Administrative Reforms Commission, 2008 recommended¹⁸ that all senior posts both in central and state governments should have a specified tenure.

The task of fixing tenures for various posts should be assigned to an independent Civil Services Authority. This is already being done in GOI for Secretaries in the Ministries of Home, Defence, and Finance, as well as for the Cabinet Secretary. However, none of the state governments have made the tenure of higher ranks of the civil services—Chief Secretary and DGP—stable, say for a fixed period of at least two years. This is despite the Supreme Court’s specific directions of ensuring a stable tenure for senior positions in police and civil administration.

Recently in January 2014, GOI amended Indian Administrative Service (Cadre) Rules, 1954, stating that an officer in a cadre post would hold the office for a minimum specified period and can be transferred only on the recommendation of a Civil Services Board comprising the Chief Secretary as its chairman, and other senior officers of equivalent rank as its members. Many state governments¹⁹ have notified new rules²⁰ in tune with the GOI law, prescribing the minimum tenure as two years for senior IAS officers, but cleverly keeping the Chief Secretary outside the purview of these rules. Thus, the Chief Secretary will continue to be at the mercy of the political bosses. This amendment has remained ineffective even for other officials, as the practice in the states is that after the Chief Minister decides on transfers (which may be before the expiry of two years of tenure and purely based on political or monetary considerations), the Chief Secretary and other members of the Civil Services Board are made to sign their approval with a back date. GOI must insist that the Chief Secretary and the DG (Police) have a stable tenure so that they can then independently and objectively decide on the tenure of others through the statutory Civil Services Boards.

It may also be mentioned here that many transfers are initiated at the request of the officer himself, and this tendency will also get curbed with effective implementation of new laws. The hankering after posts is linked quite often to the 'trappings' of the post—free vehicles, houses, etc. It is clear that to a large extent these are dictated by the nature of jobs and should also constitute an element in determining how to categorise posts. One should follow the example of Singapore where the salary package for government servants includes cash in place of perks. No one is entitled to subsidised housing or government vehicles

which increases transparency and accountability. One could begin this practice in India with the retired government officers who are re-employed in various sinecure jobs. They should just get salary, but no government car or accommodation in Lutyen's Delhi.

Accountability

As a consequence of its colonial heritage as well as the hierarchical social system, administrative accountability in India was always internal and upwards, and the civil service's accountability to the public had been very limited. With politicisation and declining discipline, even internal accountability stands seriously eroded today, while accountability via legislative review (as State Legislatures hardly meet) has not been sufficiently effective. But strengthening internal administrative accountability is rarely sufficient, because internal controls are often infructuous—especially when the social ethos tolerates collusion between supervisors and subordinates.

'Outward accountability', therefore, is essential for greater responsiveness to the needs of the public and thus to improve service quality. Departments such as the Police and Rural Development, which have more dealings with the people, should be assessed annually by an independent team consisting of professionals such as journalists, retired judges, academicians, activists, NGOs, and even retired government servants. They should look at their policies and performance, and suggest constructive steps for their improvement. At present, the system of inspections is elaborate but often precludes the possibility of a 'fresh look' as they are totally governmental and rigid. The system should be made more open so that the civil service can gain from the expertise of outsiders in the mode of donor agency evaluations of projects. It is heartening to note that GOI has already started doing so for some of its flagship programmes, such as SSA and NRHM. Petitions under the Right to Information Act (RTI) have also empowered citizens, but its use is still dominated by civil servants on personnel issues of appointments and promotions.

Priorities for enhancing both internal and external civil service accountability should also include: improved information systems and accountability for inputs; better audit; face-to-face meetings with consumers and user groups; publishing budget summaries in a form accessible to the public; a stronger performance evaluation system; scrutiny and active use of quarterly and annual reports; and selective use of contractual appointments.

One way to bring in accountability is to start the system of holding public hearings in matters pertaining to the works handled by each office. Prominent social workers and NGOs should be associated with this exercise for more productive results. The teams would undertake surveys of quality of service delivery in key areas; scrutinise policies, programmes and delivery mechanisms. Civil servants' views on work constraints and reporting fraud and corruption should be elicited. The reviews conducted should also form the basis of time-bound changes and improvements which should be monitored.

Needless to say, such comprehensive reforms need for their sustenance strong political and administrative will from the top. In its absence, reforms remain only on paper. Accountability has to be induced; it cannot be decreed by fiat. Accountability is a result of a complex set of incentives, transparency in processes and decision making, and checks and balances at various levels of government. Thus, seniors in the government departments have to put their weight behind new accountability systems and review it from time to time.

Strengthen peoples' institutions

Creation of panchayats in India through a constitutional amendment in 1993 had initially raised hopes about their role in improving service delivery to the people, as decentralisation was expected to achieve higher economic efficiency, better accountability, larger resource mobilisation, lower cost of service provision, and higher satisfaction of local preferences. But studies show that although some village level panchayat leaders have done commendable work, elected local bodies too on the whole have not benefited the people to the extent of

funds provided by government. Their record in empowering the excluded people is even more disappointing.

Panchayats are more concerned with consolidating existing economic and social relations rather than using the democratic process to change inequitable rural societies. Gram panchayats function more or less as 'political' bodies, i.e., as organisations dealing with power, and development funds are used to consolidate that power.

The picture is worse at the block and district level. This is despite the fact that these two tiers have sufficient funds and staff at their command, when compared with the village tier. The elected members of the PRIs at these levels behave more or less as contractors, with no institution of the gram sabhas at that level to put moral pressure on them.

Involve them in the social sector: Panchayats at all levels are mostly busy implementing construction oriented schemes, which promote contractor–wage labour relationship. These do not require participation of the poor as equals; on the other hand, they foster dependency of the poor on sarpanch and block staff. In such a situation, panchayat activities get reduced to collusion between the sarpanch and block engineers. Panchayats should be made more active in education, health, SHGs, watershed, nutrition, pastures and forestry programmes, which require people to come together as equals and work through consensus.

No programme that aims at generating social capital can be successful in isolation in the long run unless a significant number of development programmes follow the community approach. Therefore, development programmes should aim at both—institution building as well as economic security for the poor—and develop multi-sectoral indicators for judging how well it has performed.

Panchayats to collect local taxes: Local bodies have not been given sufficient tax assignments to raise revenue locally. In addition to receiving a share in taxes and Central grants, the panchayats should have the right to levy and collect more taxes on their own, such as on land and water in order to reduce their dependence on

state and central governments. Today the PRIs hesitate to levy and collect taxes as they prefer the soft option of receiving grants from GOI. This must be discouraged and the local bodies be encouraged to raise local resources for development and then receive matching grants from the Centre/states.

Increase untied grants: States need to increase the share of fiscal transfers to PRIs as untied grants. The formula of transfer should no doubt give weightage to population and poverty, but also to efficiency. Through a carefully designed methodology, it is quite possible to measure the performance of panchayats, and to what extent they are inclusive and participative. It may be added that similar rankings can be evolved to judge the accountability of administration, especially to people, and districts/states should be incentivised on the basis of their rankings.

Rural decentralisation and PRIs are a profound change in the Indian rural institutional scene. They may ultimately offer a better option for rural development and poverty alleviation. Disadvantaged jurisdictions could then be the main winners. It is an important opportunity. However, it was a mistake to think that PRIs will emerge as caring institutions in an environment of rent-seeking politics and unresponsive and inefficient bureaucracy. If district level civil servants and politicians are indifferent to public welfare, it is too much to expect that village and block level politicians will be any different.

There are big risks in premature promotion of PRIs. Past attempts at decentralisation failed in India, in part because of the resistance of the vested interests of the bureaucracy and state level politicians.

These vested interests remain. Steep deterioration in political morality as well as in governance has further distorted the scene. The effectiveness of decentralisation depends on how well it is administered, and the sequence of the measures adopted is equally important. A very common error is to delegate authority to act without adequate standards for guidance or adequate audit and oversight

Rural decentralisation and PRIs are a profound change in the Indian rural institutional scene. They may ultimately offer a better option for rural development and poverty alleviation.

mechanisms to ensure compliance with general policies. This would seem so elementary that it would hardly require iteration, but the frequency of violation is too great to ignore. If not carefully designed, sequenced and implemented, decentralisation can increase the fiscal burden on the states and lead to a breakdown in service delivery,²¹ in particular to the poor.

Thus political and civil service reforms must go hand in hand with empowerment of panchayats. Effective panchayats would also require effective district and block level administration. The managerial competence of each state and their capacity to effectively control their bureaucracies as well as panchayats with fairness and justice would have to be enhanced before introducing radical reforms. Reducing funds for tied CSS and devolving more untied resources to the states for state plans in the spirit of decentralisation will improve efficiency only if it is accompanied with improving governance and accountability, at least in the poorer and badly governed states.

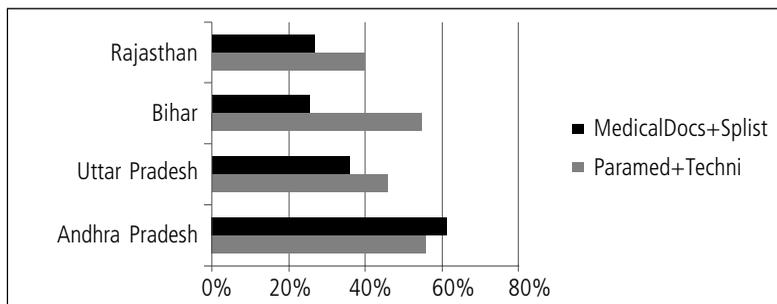
In addition, the political will at the state level to strengthen decentralisation is lacking since state politicians gain from centralisation of powers, and fear the sense of loss of the power and patronage that decentralisation is expected to result in. Therefore GOI must play an important role in neutralising resistance from the states. It should also direct its ministries to put the sector-oriented user committees and parallel bodies under the supervision and control of gram sabhas.

Absenteeism

A World Bank study (2003) showed that the bulk of expenditures in education and health typically flow to the salaries of teachers and health workers, yet rampant absenteeism and shirking by these service providers means that no services are effectively provided in many cases. That is, governments use these resources to provide (targetable) jobs rather than (less targetable) high quality services. The system exists for the service providers but not for service provision. Field investigations in rural areas of Indian states, particularly in the north, reveal that teacher absenteeism is endemic, with almost two-thirds of the teachers employed in the sample schools absent at the time of the investigators'

unannounced visits. Drèze and Gazdar (1996) recount how a village school in UP can be non-functional for as long as 10 years due to teacher absenteeism and shirking, without any collective protest being organised. Another World Bank study (2008) found that the average rate of teacher attendance was 65 per cent in UP but the average rate of teacher activity (i.e., active engagement in teaching-related activities) was only 27 per cent in UP. No more than a third of the teachers were actively teaching during survey visits.

Similarly, rural health care in most states is marked by absenteeism of doctors/health providers, inadequate supervision/monitoring and callous attitudes. A study by the Planning Commission (2009) described the physical availability of staff at the Community Health Centres²² (CHCs) as follows:



Thus, Andhra Pradesh has the best record whereas Bihar has dismal attendance, just 24 per cent, in respect of medical doctors at CHCs. If the Medical Officer is not present to monitor the attendance of those operating under him/her (including not just paramedical staff but also technicians and pharmacists) in Public Health Facilities, it is more likely that they too will abscond from their duties.

As regards solutions, one idea that has been tried in rural Udaipur in Rajasthan is using cameras with tamperproof time and date functions (Narayan and Mooij 2010). Teachers were required to take their photograph along with students at the start and close of each school day. Together with other measures (a bonus in addition to the base salary contingent on presence, and a fine in case of absence), the experiment led to a decline in the teacher absence rate from 44 per cent to 27 per cent in a period of 27 months. The test scores of students also improved.

The link between decentralisation and improved teacher performance in government schools is problematic (Bennell 2004) in many states, as discussed below.

Absenteeism and school management committees: So far the decentralised governance model to oversee school performance, with communities having oversight powers over schools and teachers through school committees, has not been effective in extracting accountability and making schools deliver acceptable learning outcomes. According to a World Bank study (2011), one of the key reasons contributing to ineffective functioning of school-based management committees has been lack of knowledge among communities—committee members themselves are unaware of how committees are formed, who the members are, and what controls they have over the school. PROBE 2 report also found that these committees had not been effective in improving the levels of teaching activity.²³ Once again, unequal power relations interfered with the presumed channels of accountability. Power in most committees rested with the president (generally the sarpanch) and the secretary (generally the head-teacher), who need to be held accountable in the first place. Teacher absenteeism and lack of accountability has to be addressed not only by greater community involvement in management and ownership of schools, but also through better oversight mechanisms and measurement of achievements of each student on the basis of which teacher's performance should be assessed.

The Planning Commission's evaluation of SSA (2010) had the following to say about the school committees:

Community ownership of schools which was envisaged to be the backbone for the successful implementation of the programme at the grassroots level has met with partial success as most village education committees took a ringside view of school activities. While Village Education Committees (VECs) in Assam, Bihar, Chandigarh and Rajasthan reported that they were involved in monitoring of schools, infrastructure improvement and improving enrolment, meetings were held on quarterly basis. In Himachal Pradesh and Tamil Nadu meetings were not conducted on a regular basis. None of

the VECs were involved as much with appointing para teachers (except Andhra Pradesh) as with infrastructure improvement (80 per cent). More than half of the VECs were concerned about fund matters. Parents' role as primary stakeholders has been limited as only 50 per cent of the parents in the rural and 45 per cent in the urban schools were aware of the existence of PTA.

The responsibility for effective implementation rests with the school headmasters, as community mobilisation/ownership has not gained ground and involvement of panchayati raj institutions in management of schools is prevalent only in a few states. The role of School Management Committees (SMCs)/Parent Teacher Associations (PTAs) are partial at best and there is a need for them to engage more substantively in non-monetary school activities such as improving educational quality and monitoring teacher and student absenteeism. For this, they would require significant capacity-building.

In a field study (*EPW*, April 14, 2007) of UP, it was found that people in such committees rarely focused on the issue of children's learning. The most frequently raised issue and the issue around which there was the most animated discussion was scholarships. The second issue that attracted attention was the new government mid-day meal programme. Actual learning levels attracted the least attention, and the facilitators had a difficult time steering the conversation away from scholarships and school meals to the broader issue of learning.

Because of several practical constraints, the task of ensuring teachers' attendance and quality cannot be left solely to the village level education committees. Such committees, even where they are active, are involved in construction works and physical infrastructure and leave the learning aspect to the teachers and head masters. Many members from disadvantaged and vulnerable sections are often in awe of the school authorities. Whereas contract teachers appointed by the panchayat are more responsive to people's needs, regular teachers do not consider themselves as accountable to the village. Therefore, whereas all-out efforts should be made (through untied direct grants to the school committee, organising more

effective training programmes, grading²⁴ schools on the basis of parameters that are amenable to change through local initiative, etc.) to improve peoples' sense of ownership of the school for several years to come, one should not dilute vertical accountability, to be enforced by the government system through capturing authentic data and reviewing it with the teachers from time to time.

Right-to-Public-Services Laws²⁵

Starting with Madhya Pradesh in 2010, another 10 state governments (SGs) have so far enacted the Right-to-Public-Services (RTPS) Act, albeit under different names, with five declared intents: (a) assurance of the service, (b) service within a stipulated time frame, (c) holding designated officers accountable, (d) a system of grievance redressal by two stage appeal, and (e) a system of penalty and fine for delay/denial in service. These SGs are Rajasthan, Delhi, Jammu and Kashmir (J&K), Bihar, Punjab, Uttar Pradesh, Himachal Pradesh, Uttarakhand, Karnataka and Jharkhand. Since the services that come under this Act are dependent on departmental willingness, their number varies from as low as 15 in Uttar Pradesh to 124 in Rajasthan. Kerala's proposed legislation covers only 13 services.

The services may include documents (certificates, licences, permits), cash (pension, stipends) and kind (electricity, water connections). The nature of these services can be classified as regulatory (trade, licence), administrative (birth, caste certificate), basic (water, electricity), and welfare (pension, stipend) services. It is encouraging to note the enthusiasm of the state bureaucracy in pushing for its implementation. This is manifested in the fact that all these state governments are taking proactive steps to digitise parts or the whole of the service delivery system connected with these services, with clear internal control and transparency built in it. In Karnataka a total of 151 services in 11 major government departments (Commercial Taxes, Education, Food and Civil Supplies, Health and Family Welfare, Home, Labour, Revenue, Transport and Rural Development and Panchayat Raj) are covered by the Act. The official website (<http://sakala.kar.nic.in>) provides a tracking application by which the status of an application is provided to citizens.

Another good example is Bihar, where the designated monitor can track each application by name on her computer screen. The initial results are encouraging and Bihar has already received 10 million applications for various services, of which almost all have been attended to. The average rate of disposal seems to be 98 per cent, an appreciable achievement indeed. Similarly, Madhya Pradesh has received more than 9 million requests and has attended to them all. The enthusiasm of the state governments, at a time when the political class and bureaucracy are suffering from low public credibility, is probably an indicator of a conscious political attempt to regain the faith of the middle class in the political and bureaucratic system. The Hindi heartland was well known for its fractured polity and search for stable political allegiance. These rights-based legislations are clearly an attempt to regenerate faith in public administration.

To what extent the delivery is people-centric and quick is yet to be ascertained. GOI and the states should conduct an objective concurrent evaluation of the level of public satisfaction with the promised services.

Karnataka has opened 800 Citizen Service Centres offering an integrated range of services like certificates, pensions, social security payments and special packages like Bhoomi and Kaveri e-registration at 'one stop shops'.²⁶ Bhoomi allows computerised easy access and facilities for mutations and updation of 20 million land records belonging to 6.7 million farmers in an efficient and transparent way based on a self-sustaining business model. The State is now developing procurement reforms with end to end programmes from indent to payment with e-tendering, electronic submission of bids, contract management and e-payment integrated with the treasury system in a phased manner.

Improve M&E systems

At present officials at all levels spend a great deal of time in collecting and submitting information, but these are not used for taking corrective and remedial action or for analysis, but only for forwarding it to a higher level, or for answering Parliament/Assembly questions. The physical aspect of information is normally not subjected to any regular checks. There is a failure of the ministries in

verification of their correctness and almost total absence of accountability procedures. Although some ministries do concurrent evaluation and engage professional organisations in preparing impact studies, such reports are hardly read by the policy-makers, and no corrective action follows from the examination done in the reports. Ultimately the process of hiring a professional for impact study degenerates into another patronage activity, where favourites are chosen, and the quality of the report is a secondary consideration.

Equally, state governments do not discourage reporting of inflated figures from the districts, which again renders monitoring ineffective. As data is often not verified or collected through independent sources, no action is taken against officers indulging in bogus reporting. For instance, in UP the number of fully immunised children that is being reported by the state government is almost 100 per cent, but independent assessments put the figure of fully immunised children in UP at less than 40 per cent. Such cases of flagrant over-reporting should not go unpunished, otherwise honest reporting would be discouraged.

An assessment study was carried out by GOI (2008) of 162 NGP (Nirmal Gram Puraskar) Gram Panchayats who were awarded for reporting 100 per cent use of toilets (the study included all the 37 NGP awarded GPs in 2004-05 and 125 NGP awarded GPs in 2005-06) across six states, i.e., Andhra Pradesh, Chhattisgarh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal. It was found that even in the NGP villages only 63 per cent households had a functional toilet. Among the reasons provided by households where toilets are not being used, poor or unfinished installation account for 31 per cent followed by lack of behaviour change (18 per cent) and no superstructure (14 per cent). Blockage of pan and pipes also account for another 26 per cent of the reasons.

Most states have a computerised ICDS monitoring system, but the available information is not used for taking corrective and remedial action or for analysis. For instance, each AWC reports on the number of malnourished children category wise, but these figures are neither verified independently by the states nor being used for assessing the effectiveness of the programme.

A young Member of Parliament, Sachin Pilot, while trying to understand how ICDS functions in the districts observed (*Economic Times*, 11 February, 2008):

As a part of a group of MPs working on the issue of malnutrition, we visited several states, especially remote tribal areas, to see how these centres were being run. I was surprised to see that the anganwadi worker who manages the centre with almost no help has to keep 18 registers updated! It is another matter that sometimes the number of children at such centres is less than the number of registers.

During another visit, we discovered that all data of children at the centre for the past five months, weight, vaccinations, health records etc, were filled in with pencils. On probing further, I found it was done so that in case of an official inspection, the figures could be erased and 'correct' data inserted to make the centre's performance look good!

The practice is so widely prevalent in all the states, presumably with the connivance of senior officers, that the overall percentage of malnourished children, in case of 0-3 years according to the data reaching GOI is 8 per cent (with only one per cent children severely malnourished), as against 46 per cent reported by NFHS-3 (with 17 per cent children severely malnourished). The field officials are thus able to escape from any sense of accountability for reducing malnutrition (NHDR 2011). One District Collector, when confronted with this kind of bogus figures, told me that reporting correct data is 'a high-risk and low-reward activity'! Dr. Manmohan Singh, the then Prime Minister, called government's performance in combating malnutrition a 'national shame', but he was not able to persuade the states to accept that the problem exists! Forget about the solutions.

The situation can easily be corrected by greater transparency of the district records that should be put on a website, and by frequent field inspections by an independent team of experts, nutritionists and grassroots workers. The Ministry of WCD at the Centre should also pull up the states for not recognising and reporting almost 90 per cent of the severely malnourished children.

A recent evaluation of ICDS in Gorakhpur by the National Human Rights Commission (http://nhrc.nic.in/Reports/misc/SKTiwari_Gorakhpur.pdf) showed that despite Supreme Court orders to provide hot cooked meals, all centres supplied only packaged ready-to-eat food, which had only 100 calories, as against a norm of 500 calories, and 63 per cent of food and funds were misappropriated. The food being unpalatable, half of it ends up as cattle feed. The AWWs are deeply involved in corruption and share 2,000 rupees per centre every month with their supervisors routinely. However, such reports, though few, are never discussed in the State Assemblies, as these meet now for less than 25 days a year which are mostly spent in shouting and slogan-mongering. We need a new law making it compulsory for Parliament and Assemblies to meet for at least 150 days a year.

Pratham, a voluntary organisation, has evolved a simple test in education at a low cost which judges the extent of learning in primary schools. Their finding shows that the actual learning levels of students are abysmally low. However the states do not accept Pratham's findings.

All ministries/departments should collect quantitative data on absenteeism of both service providers and service receivers (students in classrooms, or women turning up for institutional deliveries) as it throws a great deal of light on the quality of service. Through a carefully designed methodology backed by technology, it is quite possible to measure the performance of all service providing agencies, such as police stations, health and anganwadi centres, panchayats, etc., and to what extent they are responsive, efficient and participative.

It is not enough that the Central government departments and the state governments use professional and academic organisations to undertake impact studies from time to time. Their findings must be publicised and discussed with key stakeholders so that improvements in design and delivery can be effected at the earliest. Governments should also put on their website findings of the impact studies, and distribute these in the workshops they organise. Dissemination of results is critical for use.

Link devolution with performance

The Government of India transfers roughly 6.5 trillion rupees (this amount does not include subsidies, such as on food, kerosene and fertilisers) annually to the states, but very little of it is linked with performance and good delivery. Often incentives work in the other direction. For instance, the Finance Commission (FC) gives gap filling grants so that revenue deficit of the states at the end of the period of five years becomes zero. Thus, if a state has been irresponsible and has ended up with a huge revenue deficit, it is likely to get a larger gap-filling grant. In other words, FC rewards profligacy.

The concept of good governance needs to be translated into a quantifiable annual index on the basis of certain agreed indicators such as infant mortality rate, extent of immunisation, literacy rate for women, sex ratio, feeding programmes, availability of safe drinking water supply, electrification of rural households, rural and urban unemployment, percentage of girls married below 18 years, percentage of villages not connected by all-weather roads, number of class 1 government officials prosecuted and convicted for corruption, and so on. Some universally accepted criteria for good budgetary practices may also be included in the index. Once these figures are publicised, states may get into a competitive mode towards improving their score. A part of Central transfers should be linked to such an index.

States should be divided in three categories: those whose per capita income is below the national average, those where it is above the national average, and the special category states (such as the north-east and hill states). The advantage of this categorisation, which already exists in the Planning Commission, is that poorer states like Odisha will not be competing with better-off states like Tamil Nadu.

Summing up

To sum up, despite good achievement on the growth front, India faces significant challenges as its social indicators continue to lag behind. Mere increase in social sector expenditure would not be enough, unless it is linked with outcomes directed to the socially excluded groups, and effectively monitored.

Civil service reform is an issue of critical importance and one which has engaged the attention of the Government of India since well before independence. Since independence, about fifty commissions and committees have been set up at the level of the Union Government to study and make recommendations on what can be broadly characterised as administrative reforms. As a result of the deliberations and recommendations of these commissions and committees on different aspects of public administration, some incremental reforms have been effected. These include the creation of a separate Department of Administrative Reforms in the Union and state governments, setting up of the Indian Institute of Public Administration, setting up of the Central Vigilance Commission, Constitution of Lokayuktas in states, strengthening of citizens' grievance redressal machinery, drawing up of citizens' charters, focus on training and capacity building of civil servants, restructuring of the recruitment process, and modifications in the performance appraisal system.

The reforms which have been put in place are essentially 'soft' reforms, which have not seriously addressed the issues of lack of accountability and outcome orientation, corruption, criminality and collusion within the Government. Many of the recommendations involving basic changes have not been acted upon and therefore, the framework, systems and methods of functioning of the civil services based on the Whitehall model of the mid-19th century remains largely unchanged. Yet, all these reports have been dealt with in a routine manner, with cursory Action Taken reports being prepared, filed and forgotten. The prodigious research and intellectual efforts of these committees, not to mention the administrative and financial resources expended on them, have been largely wasted. As the Second Administrative Reforms Commission noted, 'the Indian reform effort has been unfailingly conservative, with limited impact... Civil service reform in India has neither enhanced the efficiency nor the accountability of the Civil Service in any meaningful manner.'

Civil service reforms must be aimed at improving transparency, accountability, honesty, efficiency and sensitivity in public administration at all levels. The solution to the problem of corruption has to be more systemic than any other issue of

governance. Merely shrinking the economic role of the State by resorting to deregulation, liberalisation and privatisation is not necessarily the solution to addressing the problem. All such procedures, laws and regulations that breed corruption and come in the way of an efficient delivery system will have to be eliminated.

We must also remember that we are not talking about creating a bureaucracy on a clean slate *ab initio*. We have inherited a bureaucratic system which has its own compulsions and culture. Our challenge today is how out of this we shape a new bureaucracy and in that sense 'create' a bureaucracy that works. We are somewhat like the managers of a fitness club knocking people into shape.

Governance reforms are intractable under a 'kleptocracy' that exploits national wealth for its own benefit and is, by definition, uninterested in transparency and accountability. A pliable and unskilled civil service is actually desirable from its point of view—public employees dependent on the regime's discretionary largesse are forced to become corrupt, cannot quit their jobs, and reluctantly become the regime's accomplices. Providing financial assistance from GOI to such rogue states without linking it with performance and reforms would be a waste of resources. In all other cases, reform is manageable, albeit difficult, complex, and slow. Therefore, considering that the states would need external pressure on them to improve outcomes, certain control by GOI over funds and policy in the social sector is necessary, till such time as the states show signs of improvement in governance.

We must also remember that we are not talking about creating a bureaucracy on a clean slate *ab initio*. We have inherited a bureaucratic system which has its own compulsions and culture. Our challenge today is how out of this we shape a new bureaucracy and in that sense 'create' a bureaucracy that works. We are somewhat like the managers of a fitness club knocking people into shape.

Notes:

1. Wholesale price index (1993-94=100) rose from 158 in 1999-00 to 308 in June 2012 (Economic Survey, 2012 and *EPW* 4 August 2012).
2. In all previous national elections since 1989, no single party could win a majority.

3. [http://adrindia.org/sites/default/files/Odisha%20Performance%20Report%20of% 20MLAs% 20and%20Assembly.pdf](http://adrindia.org/sites/default/files/Odisha%20Performance%20Report%20of%20MLAs%20and%20Assembly.pdf)
4. <http://www.prindia.org/theprsblog/?p=3257>
5. The political perception of governance has been changing fast in India after 2004, as discussed in the next section.
6. In the last 10 years there has been a lot of expansion of contract staff in education and health, such as para-teachers, ASHA and anganwadi workers, because of the centrally sponsored schemes funded by GOI. Their future continuity is however not assured.
7. dget.nic.in/publications/ccge/ccge-2009.pdf
8. Compulsory public declaration of assets by the candidates has increased perception amongst the common people about the intensity of corruption in India's politics.
9. The list of 'clean' Ministries also includes the Planning Commission, which handles a budget of more than ₹1,500 billion a year.
10. Author's calculation from the 2012-13 budget shows that the untied plan transfers to the states are ₹ 412 billion only, whereas the CSS (which includes ACA schemes, such as JNNURM and BRGF, which are more or less like other CSS) account for ₹ 2,109 billion.
11. The total of these columns is not 100, as there are many schemes, such as in Forestry and Home where a clear division of the budgeted amount between Central and State subjects is not possible.
12. Although police is a State subject, GOI employs more than 750,000 policemen under various paramilitary forces.
13. The Finance Ministry has been insisting that funds to the states should go via the State Legislature, and it is likely that the new government may accept this suggestion.
14. Rural housing scheme for the poor named after Mrs Indira Gandhi.
15. There has been improvement in the fiscal situation of the states after 2004-05, but there are still many states, such as the Punjab, Bihar, Kerala, West Bengal and Assam, where deficits run high.
16. Of late, some senior officers are being hired by the private sector, not so much for their professionalism, but for their ability to influence government in favour of the hiring company.
17. <http://timesofindia.indiatimes.com/india/68-of-IAS-officers-have-average-tenures-of-18-months-or-less/articleshow/28203370.cms>

18. http://darp.gov.in/darpwebsite_cms/Document/file/Decision10.pdf, and http://darp.gov.in/darpwebsite_cms/Document/file/decision15.pdf
19. Andhra Pradesh, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka and Uttarakhand.
20. persmin.gov.in/DOPT/Acts_Rules/AIS_Rules/Revised_AIS_Rules_Vol_II_Updated_Upto_31_Oct2011/Revised_AIS_Rule_Vol_II_IAS_Rule_02.pdf
21. A cynical remark is that PRIs have only succeeded in decentralisation of corruption.
22. These operate at the sub-district or block level.
23. <http://www.indg.in/primary-education/primary-education/policiesandschemes/EDUCATION.pdf>
24. According to the Programme Evaluation Organisation (PEO) Study, schools are graded in Andhra Pradesh as 'A' 'B' 'C' or 'D' based on their performance which improves teacher accountability.
25. Based on Sircar (2012).
26. <http://digitalknowledgecentre.in/files/2012/02/e-Governance-and-best-practices.pdf>

References:

- GOI. 2008. Impact Assessment of Nirmal Gram Puraskar Awarded Panchayats, Department of Drinking Water and Sanitation, New Delhi.
- GOI. 2009. Government of India, Department of Administrative Reforms, Civil Service Day 2009, Panel Discussion, Theme Papers.
- Narayan, Krishna and Jos Mooij. 2010. 'Solutions to Teacher Absenteeism in Rural Government Primary Schools in India: A Comparison of Management Approaches.' *Open Education Journal*. 3(1). 63-71.
- NHDR 2011. National Human Development Report, Institute of Applied Manpower Research, Planning Commission, New Delhi.
- Planning Commission 2009. 'A Primary Evaluation of Service Delivery under the National Rural Health Mission (NRHM): Findings from a Study in Andhra Pradesh, Uttar Pradesh, Bihar, and Rajasthan, Kaveri Gill.' Working Paper 1/2009 – PEO, May.
- Planning Commission 2010. Evaluation Report on Sarva Shiksha Abhiyan, Government of India May at http://planningcommission.nic.in/reports/peoreport/peoevalu/peo_ssa2106.pdf
- Saxena, N.C. 2011. Singapore Public Service and National Development, Ministry of Foreign Affairs, Singapore.

Sircar, Ashok Kumar. 2012. 'The Right-to-Public-Services Laws'. *Economic and Political Weekly*. 47(18). 5 May.

Sud, Inder. 2009. Governance for a modern society, in Harinder Kohli and Anil Sood (eds). *India 2039: An affluent society in one generation*. New Delhi, Centennial Group.

WDR 2004: Making Services Work for Poor People, World Bank.

World Bank. 2003. Democracy, Public Expenditures, and the Poor. Philip Keefer and Stuti Khemani. World Bank Policy Research Working Paper 3164. November.

World Bank 2008: Public Participation, Teacher Accountability, and School Outcomes, November, New Delhi.

World Bank 2011: Does Information Improve School Accountability? Results of a Large Randomized Trial, by Priyanka Pandey, Sangeeta Goyal and Venkatesh Sundararaman, Report No. 49, December.

Dr. N.C. Saxena retired as Secretary, Planning Commission, GOI. He also worked as Secretary, Ministry of Rural Development and Secretary, Minorities Commission. On behalf of the Supreme Court of India, Dr Saxena monitors hunger based programmes in India. He has chaired several government committees, such as on 'Women's Land Rights', 'Identification of poor families' 'Implementation of Forest Rights Act', 'Joint Review Mission on Elementary Education' and 'Bauxite Mining in Orissa'.