

REVAMPING DELIVERY SYSTEMS AND E-GOVERNANCE

A Consultation Paper

Preamble

It is now widely accepted that the quality and efficiency of delivery of goods and services by government institutions and agencies is unacceptably low. As far back as 1985, the then Prime Minister, Shri Rajiv Gandhi, had estimated the efficiency of transmission of government delivery system at 15% (15 paise in a rupee). Since then the efficiency has taken a further dip into a single digit zone. The governance in any modern economy cannot possibly function at such derisory levels of efficiency and a very significant improvement in the efficiency and quality of delivery channels is urgently required if the social and economic development is to continue.

Lack of ethics in governance and widespread corruption is a well documented cause why so little reaches the intended beneficiaries. This would be covered in a subsequent seminar “Ethics in Governance”, scheduled for early 2010. But there are several other administrative mazes which severely curtail efficiencies in the delivery system.

- First, the system of governance remains far too centralized with innumerable layers of Babudom. Although the 73rd and 74th Constitutional Amendments were enacted in 1992 as a step towards decentralized democratic governance, effective decentralisation from states to local governments never really took place due to unwillingness on the part of states to let go their powers and the intentions of the people through their Parliament in making these Amendments have been nullified. Consequently, the plans, policies and schemes, conceived in national or state capitals only occasionally reflect the needs of the people or the ground realities. The actual timing of delivery due to blockages or delays in the elongated delivery channels often makes a mockery of the schemes. Eventually, the funds are many times diverted to some other purposes than the ones they were intended for. It is not the contention that the amount that does not reach the ultimate beneficiary is all lost due to leakages and corruption. Some administrative overheads are unavoidable. The problem is that these administrative overheads, which also mask the leakages and corruption, now form over 90% while less than 10% reaches the beneficiaries. The systemic complexities and rigidities **together with over-centralization** have made even the most honest and well-meaning politicians and government officials ineffective, helpless and demotivated. This is a major cause of failures in the system of delivering services and goods to citizens. This failure had

also contributed to initial local support to Maoist violence and its unfortunate spread. Thus, over-centralization is, in a way, threatening the very foundation of democracy in our country.

- Second, rule, regulations and procedures laid down are conceived mindlessly and are very often contradictory, even self-contradictory. They are designed with distrust of citizens in mind. Worse still, these rules, regulations and procedures are so well buried in archived files that not even government officials are aware of most of these rules and therefore create their own rules, according to current convenience, as they go along. The Government agencies working in their own silos compound the confusion. There is a need to create a compendium of each and every rule, regulation and procedure that apply to various aspect of governance and to make the compendium freely available, both in hard copy and softcopy, to all citizens. Only those rules, regulations or procedures that appear in the compendium should be considered legally applicable. E-governance program provides a suitable platform for achieving this end, in addition to other benefits that it can provide.

- Another reason is a general disharmony in the functioning of the government. Various elements of government work in isolation and at cross-purpose with one another, without any consideration for the intended goals. In fact, goals themselves remain poorly defined and lacking in harmony. There is a fragmentation of Civil Services to an unhealthy extent, leading to much infighting and energy loss in trying to establish and retain fiefdoms. Defragmentation of Civil Services and making changes necessary to bring about their harmonious functioning, with well entrenched channels of accountability to citizens, is essential for efficient operation of delivery systems.

Though independent India has witnessed some major achievements in social and economic fields, there remains a very wide chasm between planned and actual delivery of services to the common man, which is almost entirely attributable to failures of administrative machinery to apply itself to the tasks at hand. The same administrative machinery had also acquitted itself very creditably in cases of massive human disasters such as huge migration into West Bengal prior to creation of Bangladesh and the more recent Tsunami disaster. This indicates that the root cause of the collapse of delivery channels is an utter failure of top layers of the administrative machinery to rise above their narrow self interests and provide the leadership expected of them. Given the leadership, the administrative machinery is quite capable of delivering the goods.

Prime Minister Manmohan Singh recognised the primacy of citizens and the government (and its employees) as an institution subsidiary to citizens and said in his speech on 24.04.06 at Civil Service day celebrations.

“Historically governments have viewed themselves as administrator of public delivery systems. They have viewed citizens as outside beneficiaries of govt. action, Citizens were expected to accept what-ever was provided with little or no choice. This situation is changing everywhere. Citizens are expecting good service from governments as a matter of right. Governments are expected to deliver efficient public services or facilitate privatisation. Effective and efficiency of

public service delivery is increasingly being demanded as a basic right of the citizen. Government is expected to be service provider rather than a mere administrator of a public-delivery system. This change in orientation is the key challenge facing the governments of this day".

2. HISTORY:

The Government has been aware of the inadequacies in administrative setup and several Commissions and Committees were mandated to look into various aspects and recommend steps to improve the administrative performance. Details of these are placed at Annexure – I and II

3. EMPOWERING CITIZENS

3.1 Principle of Subsidiarity

In a functioning democracy, sovereignty vests in citizens. Citizens are the source of all powers and their welfare is the sole purpose of all activities of the state. The powers and the resources are selectively delegated by citizens to institutions created by them and on their behalf for a purpose specifically assigned to that particular institution. These institutions are required to carry out the work **outsourced** to them by citizens on the principle that a centralized authority should have a subsidiary function and should perform only those tasks which cannot reasonably be performed at a level which is more local to the beneficiary citizens. The main idea of subsidiarity is that citizens, as sovereigns and as stakeholders in a democracy, are the final decision-makers. The principle of subsidiarity stipulates that the functions of the state and its institutions should be carried out closest to the beneficiary citizens and the powers gets delegated downwards by the citizens, at their discretion, to the most local of the institutions of governance, unless it is considered desirable by them that certain specific functions are discharged by institutions of governance centralized to a variable degree for reasons of efficiency and cost effectiveness. The fundamental principle in a democracy is and shall always remain that institutions of governance, and persons working for these institutions, are subsidiary to the citizens, unlike in autocracies or dictatorships. Centralisation delegitimises democracy, alienates the citizen, perpetuates hierarchies, and breeds corruption and inefficiencies.

Application of the subsidiarity principle has advantages of improvization of efficiency, self-reliance, competiveness, and innovativeness at the local level. Once decision-making and its consequences are integrally linked at the local level, people become aware of their responsibility that leads to enlightened citizenship, and maturing of democracy. It tailors local public expenditure to local needs. It also increases transparency, curbs propensity to abuse authority and promotes accountability of the institutions and its employees to the citizens. For this reason, the locus of governance should shift as close to the citizen as possible in order to facilitate direct participation, constant vigil and timely intervention. Only in an empowered

local government can the ordinary citizens hold public servants accountable in the face of the asymmetry of power exercised by the bureaucracy.

The 73rd and 74th Constitutional Amendments were enacted in 1992 as a step in the direction of democratic decentralization. However, while the local government structure and attendant institutions are created by the constitutional mandate of the 73rd and 74th Amendments, the actual functions and powers to be devolved on local governments were not reflected in the Seventh Schedule of the Constitution, which remained unaltered. Consequently, effective decentralisation from states to local self governments never really took place due to unwillingness on the part of states to let go the levers of powers and the intentions of the Parliament in making these Amendments was nullified. This is a major cause of failures in the system of delivering services and goods to citizens.

In the districts, the funding for district development comes mainly from the Centre, but the states do not provide adequate resources for local governments and divert the funds. Due to various hindrances and diversions in public delivery, supply of the deliverables dwindle down both in quantity and quality and ultimately over time, even basic necessities have been turned into privileges to be extended to common man on patronage basis.

3.2 Effective delineation and devolution

There is an urgent need to delineate the functioning and powers of institutions of local governance vis-vis state governments in the Constitution including amendments to the Seventh Schedule, if the objectives of the 73rd and 74th Amendments are to be achieved. Both, the National Commission to Review the Working of the Constitution (NCRWC) and the 2nd Administrative Reforms Commission (ARC) have recommended the use of the phrase “shall by law vest” as against the existing “may by law endow” in Articles 243 G and 243 W, thereby making devolution to institutions of local governance mandatory rather than discretionary. Similar changes are required in Articles 243 H and 243 X. The 2nd ARC has also recommended that this third tier of Government should also have a stake in making laws in the State Legislatures and the Legislative Councils may be recast as a council for local governments. Where the Legislative Councils do not exist, they should be constituted. With this, the local governments would be effectively empowered to frame regulations, make plans, take decisions and enforce their will within their legitimate sphere of action. Such empowerment should be clearly defined by the Constitution and the state legislatures and should include fiscal devolution to the local governments.

3.3 Convergence of services.

Convergence is based on the recognition that the citizens’ needs and concerns are indivisible. Even in an otherwise efficient and honest administration, isolated functioning of disparate government agencies and departments complicates the citizen’s life immeasurably. Therefore, convergence must be a key principle in the organisation of local governments. The citizen is

compelled to deal with a multiplicity of authorities to access even the basic amenities and services. The local functions of all these authorities therefore need to devolve on local governments. The citizen must be enabled to interact with all service providers through a **single window** as far as practicable.

3.4 Citizen's centrality

The citizen is at the heart of a democratic system. Therefore, all governance institutions, particularly local governments should be judged by the satisfaction of citizens and the direct empowerment of people. Measurement of citizens' satisfaction as the consumer of public services is an important mechanism. Report cards, citizens' feedback at delivery and service counters, call centres and such fora for the citizens' voice to be heard and feedback to be counted, needs to be institutionalised in decentralised governance. In addition, social audit through credible community based organisations, civil society groups and prominent citizens would ensure citizen centrality.

3.5 Non-Transparency of government policymaking

There is a lack of transparency in decision making, disclosure of standards of delivery and openness in the every day functioning of the administration. According to a transparency survey conducted by the Centre for Budget and Governance Accountability (CBGA) in collaboration with the International Budget Partnership, Washington DC, the Indian government doesn't share complete budget information with the general public as opposed to countries such as United Kingdom. The recent events also show that even the Union Budget is now passed by the Parliament without any debate. Thus even members of Parliament excluded from the detailed budget information. Though enactment of RTI Act has led to grudging disclosures of information on public finances and resources, there remains a large scope for the government to make the process of policy making participatory and transparent. Attempts to sabotage the provisions of RTI Act are also being made, both by raising procedural objections and by legislative means as is evident from Section 19.19 to 19.21 on pages A59-60 of the Direct Tax Code proposed by the Government.

4. SIMPLIFYING GOVERNANCE

4.1 Isolated functioning of government agencies and departments

The government agencies and departments often formulate their plans, programs and policies without regard to ground reality or perception of inter-se priorities of common citizens. Thus dancing fountains and golf courses get priority over provision of essentials like sewerage, drinking water, electricity, shelter, schooling and health care. The sole consideration seems to be spending money with minimum effort (and maximum benefit to self), so that the fiefdom can expand further in next year' budget. We would all have seen other results of the isolated

functioning of government agencies and departments, e.g. road being dug up by a government agency as soon as another government agency has finished resurfacing that road.

- Most of the schemes exist in silos, planned and implemented as stand-alone schemes without any horizontal convergence or vertical integration, resulting in multiple district plans, unrelated to each other, often mutually conflicting, prepared without any integrated vision or perspective.
- The schemes are often rigidly designed and do not have flexibility required for adaptation according to the differential development needs at the local level.
- There is no consistent approach in the design of delivery mechanisms. Often independent structures are created for each scheme resulting in a multiplicity of such structures at the local level with no interaction or co-ordination among them.

Further, isolated functioning often result in mindlessly conceived rule, regulations and procedures. They are very often contradictory or even self-contradictory. Worse still, these rules, regulations and procedures are so well buried in archived files of disparate government institutions that not even government officials are aware of most of these rules and therefore create their own rules, according to current convenience, as they go along.

Isolated functioning also leads to a general disharmony in the functioning of the government. Various elements of government work at cross-purpose with one another, without any consideration for the intended goals. In fact, goals themselves remain poorly defined and lacking in harmony.

All these side effects of isolated functioning of disparate government agencies and departments not only impact the functioning of delivery channels adversely, they also make common citizens run from pillar to post, very often fruitlessly, to obtain their rights. It is not surprising that common citizens, harassed for decades, now have nothing but disdain, if not outright hostility, towards government and its officials. Days when government officials commanded respect of people by virtue of their position have long gone and the term “sarkari afsar” is now often used by common man as a pejorative. The system of governance must change, and urgently, if this feeling of derision and hostility is to be reversed. The alternative can only be collapse of nation-state in not too distance a future.

4.2 Complicated and outdated laws, rules, procedures and processes

Independent, democratic India continues to follow laws, rules and procedures which were promulgated in mid 19th century. These laws, rules and procedures do not reflect current ground realities. Moreover, when new laws, rules and procedures are enacted, they are mostly superimposed on outdated laws, leaving the contradictory provisions of pre-existing laws also intact. This further compounds the confusion. Further, the laws and rules are written in a language and format which are incomprehensible to the commoner and may be, even to its author(s). This provides a fertile ground for legal battles, a principal cause of judicial overloads and pendencies.

There is a crying need to have a law which prescribes automatic sunset provisions for various categories of laws, codes, rules and procedures. This would force renewed look at the laws, codes, rules and procedures at regular intervals if they are to be kept alive.

In the mean time, all Ministries/Departments should be required to constitute in-house core teams of external experts and persons well versed with procedures, to get feedback from citizens, analyse all processes from the point of necessity, simplicity, rationality and citizen centricity etc. and to prepare a roadmap for carrying out a process simplification exercise that involves changes (weeding out where possible) in Rules, Regulations and Laws.

Government while performing regulatory functions should regulate only when necessary. Even then, it should regulate simply, effectively, transparently and do so in a way that keeps common man's interests above all else. It should involve citizens' groups and professional organizations in the regulation activities.

5. e- Governance, the technology tool for improving Governance

The 2nd ARC, in its 11th Report has defined e-Governance or 'electronic governance' as "basically the application of Information and Communications Technology (ICT) to the processes of Government functioning in order to bring about 'Simple, Moral, Accountable, Responsive and Transparent' (SMART) governance."

e-Governance is about reform in governance, facilitated by the creative use of ICT to exchange information with citizens, businesses or other government departments and for speedier, qualitatively better and more efficient delivery of public services at reduced cost. A well designed and executed e-governance project necessarily involves simplification and restructuring of administrative processes for cogency. It must lead to easier and faster access to better quality of information and services to citizens and result in a government that more accountable to people. It must also result in simplification of the functioning of government, enhanced and better quality decision making and increased efficiency and productivity across government. The e-Governance program provides a suitable platform for quickly reducing some the aforesaid problems, particularly the following.

i. There is a need to create a compendium of each and every rule, regulation and procedure that apply to various aspect of governance and to make the compendium freely available, both in hard copy and softcopy on a government website, to all citizens. Only those rules, regulations or procedures that appear in the compendium should be considered legally applicable.

ii. Most of the schemes exist in silos, planned and implemented as stand-alone schemes without any horizontal convergence or vertical integration, resulting in multiple unrelated plans, often mutually conflicting, prepared without any integrated vision or perspective and without taking advantage of learning from the past experiences of similar projects. Due to lack of consistency in approach in the design of delivery mechanisms, independent structures are created for each

scheme resulting in a multiplicity of such structures at the local level with no interaction or co-ordination among them. E-Governance promotes convergence.

6. Summary of common recommendations on Revamping of Delivery Systems

The following commonalities may be found in reports of various Committees and Commissions.

6.1 The system of governance should follow the principle of subsidiarity. To this end, institutions of local governance should be strengthened and empowered, through constitutional amendments, to provide all services to citizens except those which cannot reasonably be provided by the institutions of local self governance.

6.2 The parastatal agencies created by state governments to take over functions which are in the natural domain of local governance institutions (e.g. primary and secondary education, water and power distribution, primary health etc.) must be disbanded and the responsibility handed over to democratic and decentralized institutions of local governance.

6.3 Unnecessary laws, rules, regulations and codes should be weeded out and the rest modified and simplified to make the institutions and the practice of governance more transparent, responsive, citizen-friendly, resource efficient and accountable.

6.4 The current tendency among government agencies to work in silos or isolation must be reined in and a concerted effort made to these agencies work in convergence.

6.5 Use of tools of e-Governance should be speeded up in a planned and co-ordinated manner to achieve the above objectives.'

7. Issues for consultation on Revamping Delivery System

7.1 What are the best ways to accelerate the introduction and empowerment of institutions of local self governance?

7.2 How should the government and the legislatures proceed to bring about simplification of rules, regulations, laws and codes and to weed out the obsolete ones? Should there be an omnibus legislation to specify sunset clauses for existing and future laws and codes?

7.3 What should be done to give impetus to e-Governance. Would appointing an eminent technocrat from outside the government, to head the e-Governance project, in the manner done in the case of the UID project, help in its faster and more efficient implementation?

8. Refurbishing Human Resource Pool and Enforcing Accountability

As mentioned in Para. 2 above, several commissions and committees have been set up in the past to examine various aspects of Public Administration in India. They have collectively emphasized the need for major reforms in the process of Civil Services recruitment, periodic training, promotion and posting strategies and career management. Domain expertise, leadership qualities and capacity to envision, encourage and manage changes are some of the essential attributes required in Civil Services of today. Recommendations of Committees/ Commission that submitted their reports during the current decade are summarized at **Annexure - II**.

9. Summary of common recommendations on Refurbishing Human Resource Pool & Enforcing Accountability

- 9.1** All civil servants should undergo mandatory training at frequent intervals and also before each promotion and each officer/official should be evaluated after each training programme. Successful completion of the training programmes should be made mandatory for promotions.
- 9.2** The personnel policy including placements, postings, minimum and maximum tenure, promotions, transfers and fast-track advancements on the basis of forward-looking career management policies and techniques should be managed by autonomous Civil Services Boards constituted under statutory provisions.
- 9.3** Above a certain level--say the Joint Secretary level - all posts should be open for recruitment from a wide variety of sources including the open market. Applications to fill up these posts would be invited from interested and eligible persons from the open market and also, from serving eligible officers. Government should specialize some of the generalists and generalize some of the specialists through proper career management which has to be freed from day to day political manipulation and influence peddling.
- 9.4** The services have remained largely immune from imposition of penalties due to the complicated procedures that have grown out of the constitutional guarantee against arbitrary and vindictive action (article 311). The constitutional safeguards have in practice acted to shield the guilty against swift and certain punishment for abuse of public office for private gain. A major corollary has been erosion of accountability. Articles 310 and 311 should be repealed and safeguards against arbitrary action against government servants should be provided after the repeal to ensure that the honest and efficient officials are given the requisite protection but the dishonest are not allowed to prosper in office.
- 9.5** The administrative structure and systems have to be consciously redesigned to give appropriate recognition to the professional and technical services so that they may play their due role in modernizing our economy and society. The specialist should not be required to play second fiddle to the generalist at the top. Conceptually we need to develop a collegiate style of administrative management where the leader is an energizer and a facilitator, and not an oracle delivering verdicts from a high pedestal.
- 9.6** A parliamentary legislation under article 312(1) should be enacted. It should be debated in professional circles as well as by the general public.

- 9.7** In posting officers in Government of India, the primary consideration should be to select the most suitable person for the post that is on offer. Domains should be assigned by the Central Civil Services Authority to all officers of the All India Services and the Central Civil Services on completion of 13 years of service. State Governments should also constitute State Civil Services Authorities on the lines of the Central Civil Services Authority.
- 9.8** Government should expand the scope of the present performance appraisal system of its employees to a comprehensive performance management system (PMS). Annual performance agreements should be signed between the departmental minister and the Secretary of the ministry/heads of departments, providing physical and verifiable details of the work to be done during a financial year. The actual performance should be assessed by a third party – say, the Central Public Services Authority – with reference to the annual performance agreement. The details of the annual performance agreements and the result of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/Outcome Budget. Each head of office should ensure that a congenial work environment is created in the office. His/her success in this should be an element in evaluating his/her performance.
- 9.9** A system of two intensive reviews – one on completion of 14 years of service, and another on completion of 20 years of service - should be established for all government servants. The first review at 14 years would primarily serve the purpose of intimating to the public servant about his/her strengths and shortcomings for his/her future advancement. The second review at 20 years would mainly serve to assess the fitness of the officer for his/her further continuation in government service. The services of public servants, who are found to be unfit after the second review at 20 years, should be discontinued. A provision regarding this should be made in the proposed Civil Services Law. Besides, for new appointments it should be expressly provided that the period of employment shall be for 20 years. Further continuance in government service would depend upon the outcome of the intensive performance reviews.

10. Issues for consultation

10.1 What are the best ways to accelerate implementation of the recommendations in paragraphs **9.4** and **9.6** above regarding repealing Articles **310** and **311** of the Constitution and enactment of a legislation under Article **312 (1)**?

10.2 What are the best ways to accelerate implementation of the recommendations in paragraphs **9.3**, **9.5** and **9.7** regarding widening the talent pool for selection to posts of Joint Secretary and above by opening all these posts to all existing members of the Civil Services as well as candidates from outside the government, ensuring that the selection is based on merit rather than on membership of any particular cadre and allocation of domains after 13 years of service experience and prior to becoming eligible for selection to posts of Joint Secretary and above?

10.3 Whether in view of **10.2** above, it would be better to defragment the Civil Services by merging all existing All India Services and Group ‘A’ Central Services into a single unified cadre so that fast tracking the careers of members of Civil Services is done uniformly and after a reasonable period (say 8-10 years) of on-job assessment of their capabilities, competence and leadership qualities.

Annexure – I

Revamping Delivery Systems & E-Governance

1. Committees and Commissions on Administrative Reforms

Report on Reorganisation of the Machinery of Government (1949) by Shri Gopaldaswami Ayyangar recommended that the Central Ministries be bunched into Bureaus. A Committee headed by A.D.Gorawala gave a general report in 1951, on Public Administration. Mr. Paul H. Appleby reports (1953 & 1956) on Indian Administration resulted in the setting up of an Organisation and Methods Division in the Cabinet Secretariat and Indian Institute of Public Administration in 1954 with the aim of initiating and sustaining a concerted effort to improve administrative efficiency in all branches of administration.

1.1 In 1966, the First Administrative Reforms Commission under the chairmanship of Shri Morarji Desai (later Shri K. Hanumanthaiya) undertook a comprehensive task of examining the machinery of Government of India and its procedures. It made 581 recommendations in its 20 reports.

1.2 A Committee on Recruitment Policy and Selection Methods was set up under Dr. D.S.Kothari in 1976. The Economic Administration Reforms Commission, set up in 1983 under the chairmanship Shri L.K. Jha, recommended the change in emphasis from regulation to development, thus consciously moving from direct physical controls. It recommended changes in governmental activities and the style of government functioning, the objective being to reduce the load on public administration, minimize harassment to citizens and reduce delays to business and industry. A Committee to review the Scheme of the Civil Services Examination was set up under Shri Satish Chandra in 1989.

1.3 The Fifth Pay Commission recommended in 1997 abolition of thousands of unfilled posts and significant reduction in the size of bureaucracy. It also advocated the constitution of high-powered Civil Services Boards, both at the centre and in the states. The Expenditure Reforms Commission set up in 2000 under Shri Geethakrishnan examined the continuing relevance of the various Ministries/Departments and the schemes run by them and made some very relevant recommendations. Surendra Nath's Committee (2003) and Hota Committee (2004) on Civil Services Reforms also made their recommendations.

2. NCRWC Recommendations on Decentralisation & Devolution

The National Commission to Review Working of the Constitution (NCRWC), set up in 2000 under the chairmanship of Justice Venkatchalliah submitted its report in 2002. Its report included chapter on “**Decentralization and Devolution**” Some relevant recommendations of the National Commission to Review Working of the Constitution (NCRWC) are quoted below.

2.1 While improving the nature and institutional response of administration to the challenges of democracy is imperative, the system can deliver the goods only through devolution, decentralisation and democratisation thereby narrowing the gap between the base of the polity and the super structure. [Para 6.2.8]

2.2 District should be considered as a basic unit of planning for development. Functions, finances, and functionaries relating to the development programmes would have to be placed under the direct supervision and command of elected bodies at the district levels of operation to give content and substance to such programmes of development and public welfare. This would, to a substantial degree, correct the existing distortions and make officials directly answerable to the people to ensure proper implementation of development programmes under the direct scrutiny of people. [Para 6.4.1]

2.3 India should move to a system where the State guarantees the title to land after carrying out extensive land surveys and computerizing the land records. It will take some time but the results would be beneficial for investment in land. This will be a major step forward in revitalizing land administration in the country as it would enable Right to access, Right to use and Right to enforce decisions regarding land. Similar rationalization of records relating to individuals rights in properties other than privately held lands (which are held in common) would improve operational efficiency, which left unattended, foment unrest. A coherent public policy addressed to the modern methods of management would contribute to better use of assets and raise dynamic forces of individual creativity. Run away expansion in bureaucratic apparatus of the State would also get curtailed by new management system. [Para 6.4.2]

2.4 Energetic efforts should be made to establish a pattern of cooperative relationship between the State and associations, NGOs and other voluntary bodies to launch a concerted effort to regenerate the springs of progressive social change. State and civil society are not to be treated antithetical but complementary. [Para 6.5.4]

The NCRWC has also made extensive recommendations for energising local bodies, viz. Panchayats, Municipalities etc. and make them into effective and citizen-friendly institutions of democratic governance. These recommendations included amendments to Article 243 and the Seventh Schedule of the Constitution.

3. The 2nd Administrative Reforms Commission (2nd ARC)

3.1 The Second Administrative Reform Commission (ARC), constituted in 2005 under the chairmanship of Shri Veerappa Moily prepared a detailed blueprint for **revamping the public administration system**. It has submitted 15 reports on various aspects of governance over 2006-08. These are

1. Right to Information – Master Key to Good Governance
2. Unlocking Human Capital: Entitlements and Governance – a case study

3. Crisis Management
4. Ethics in Governance
5. Public Order
6. Local Governance
7. Capacity Building for Conflict Resolution
8. Combating Terrorism – Protecting by Righteousness
9. Social Capital – A Shared Destiny
10. Refurbishing of Personnel Administration – Scaling New Heights
11. Promoting e-Governance – The Smart Way Forward
12. Citizen Centric Administration
13. Organisational Structure of Government of India
14. Strengthening Financial Management Systems
15. State and District Administration

3.2 The scope of work undertaken by the 2nd ARC covered a slightly different and a much wider agenda compared to that of NCRWC. However, NCRWC and the 2nd ARC recommendations have near-identity of views in respect of Decentralisation of Governance through Local Democracy, amending Article 243 of the Constitution as well as changes required in Administrative setup and Personnel Management. In fact, the 2nd ARC, which followed NCRWC half a decade later, has made a much deeper study of these issues and recommended reforms some of which are even more far reaching. It may be mentioned here that the Ministry of Personnel, Administrative Reforms and Public Grievance, having “abandoned” the NCRWC Report altogether, has also rejected or looped (a ritual normally followed by the bureaucracy to induce coma into a proposal prior to its informal burial) virtually all the important recommendations of the 2nd ARC on Personnel Administration and most of those on Ethics in Governance. The matter is still under consideration at the political levels. The good intentions seem to be there at the political level but it is to be seen whether the current political executive would be able to pick up the courage to over-ride the powerful status-quoist vested interests of the political and permanent executive who ring-fence the higher political executive from the rest 99.9% of the permanent executive as well as the common man.

3.3 The 2nd ARC has stated its vision of good governance as follows.

“An institutional set-up that ensures good governance usually has the following features:

1. Participation

All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

2. Rule of Law

Legal frameworks should be fair and enforced impartially, particularly laws on human rights.

3. Transparency

Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

4. Responsiveness

Institutions and processes try to serve all stakeholders.

5. Consensus Orientation

Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and where possible, on policies and procedures.

6. Equity

All men and women have opportunities to improve or maintain their well-being.

7. Effectiveness and Efficiency

Processes and institutions produce results that make the best use of resources.

8. Accountability

Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to the institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.

9. Strategic Vision

Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.”

4. The 2nd ARC goes on to observe that

“Our Constitution provides a clear mandate for **democratic decentralisation** not only through the Directive Principles of State Policy which exhorts the State to promote Panchayati Raj Institutions but more specifically now through the 73rd and 74th Amendments of the Constitution which seek to create an institutional framework for ushering in grass roots democracy through the medium of genuinely self-governing local bodies in both urban and rural areas of the country. However, despite the constitutional mandate, the growth of self-governing local bodies as the third tier of governance in the country has been uneven, halting and slow.”

and

“Throughout the seventies and eighties, a process of centralisation of even basic municipal functions such as water supply and sanitation into the hands of parastatals such as water boards and authorities has led to a massive decline in the role and status of local bodies which is only now sought to be reversed. Such reversal faces inevitable hurdles from the established institutional structures at the State Government and district levels. ”

The 2nd ARC has also chalked out an agenda for reform of local governance in both urban and rural areas. The core principles that underpin this agenda include, inter-alia, democratic decentralisation as the centre-piece of governance reforms in the country; the principle of subsidiarity which means that what can best be done at the lower levels of government should not be centralised at higher levels; a clear delineation of functions entrusted to the local bodies; effective devolution in financial terms and convergence of services for the citizens as well as citizens centric governance structures. The 2nd ARC has further noted that

“An analysis of the empowerment and functioning of local governments in various States leads to the following broad conclusions:

- Despite the mandatory constitutional injunctions, it took years, and in some cases a decade, to even constitute local governments and hold elections.
- Even when local governments are constituted and elections are held, States often postponed the subsequent elections on some pretext or other. Each time it is an uphill task to ensure compliance in some States, even with the mandatory provisions of the Constitution.
- There has been no linear development or evolution in respect of democratic decentralisation.
- State Governments, legislators and civil servants are in general reluctant to effectively empower local governments. Only the bare minimum required to implement the strict letter of the Constitution prevails in many States. What is implied by the spirit of the Constitution and principles of democracy is often ignored.

- Even mandatory provisions like the constitution of District Planning Committees and Metropolitan Planning Committees have been ignored in many States.
- Where the Panchayats have been constituted and elections held regularly, they are still left at the mercy of State Legislatures and State Executive. Although local governments have a long tradition of autonomy, the fact that Union and State Governments have an established tradition of centralisation for nearly four decades, means that strong vested interests have developed over time disallowing devolution of power.
- Some legislators at times tend to act as ‘executives’, intervening in transfers and postings, sanctioning of local bodies’ contracts and tenders, crime investigation and prosecution – all of which are therefore often at the mercy of the local legislator. Given the compulsions of survival, the State Government which depends on the goodwill and support of legislators, does not usually intervene except where the Constitution specifically and unambiguously directs it.”

The recommendations of the 2nd ARC in its 6th Report on local governance reforms are crucial for deepening of the democratic processes in our country and need to be implemented urgently.

5. Core Principles of e-Governance

The 2nd ARC has identified following Core Principle for **e-Governance**

5.1.1 Clarity of Purpose

There needs to be a clear understanding and appreciation of the purpose and objectives to be achieved through e-Governance. In the past, a large number of projects appear to be based on what technology can achieve rather than what the citizens need. A corollary to this would be a precise definition of the parameters against which any future evaluation would be done. E-Governance should not be taken up merely to demonstrate the capability of an existing technology, but the technology should be adopted to solve an existing problem. Citizen-centricity should be at the heart of all e-Governance initiatives.

5.1.2 Environment Building

There is need to change the mind-set of all the stakeholders involved, i.e. politicians, government officials and civil society at large. This requires a strong will to change among various stakeholders in the governance system. As the task involves redesigning of governmental processes at various levels, implementing e-Governance requires political support at all levels. Government personnel have to be incentivised to change old habits and acquire new skills. Awareness needs to be created in the public so that there is a constant demand for reforms in governance through implementation of e-Governance. In the end, the environment should be such that the perceived threat to entrenched interests is removed and resistance to change is addressed by dealing with actual grievances rather than perceived fears. A positive approach of government personnel towards the needs of citizens would be the necessary elements for creating

a conducive environment. Raising public awareness, forming partnerships with academic institutions – public and private, Public-Private Partnerships (PPPs), exchange of best practices including with the private sector and involvement of citizen-groups should form part of this process.

5.1.3 e-Governance as an Integral Part of Reform in Governance

E-Governance cannot be separate from governance as a whole. Further, it cannot be taken as an adjunct of governance. It has to be an integral part of the governance structure and processes. Thus, every government organization or entity, every government programme or policy and every law and regulation would have to integrate e-Governance modules within itself rather than brought-in as an afterthought or introduced as an adjunct. Under e-Governance, the focus is always on ‘governance’ and the range of technological tools is utilized to bring about changes, keeping in mind the needs of the citizens and the organization itself. As governance covers a very wide range of activities in each area, the structures and processes which need to be changed or modified through use of technology have to be identified separately. This task cannot be performed satisfactorily if e-Governance is not made an integral part of the organization which is undertaking to reform itself.

5.1.4 e-preparedness and Step-wise Approach

e-Governance cannot be introduced in the whole country across government organizations at one go. As mentioned above, e-Governance is an integral part of reforms in governance and each organization needs to embed e-Governance systems within the organization in a seamless way. However, different organizations are not, presently, at the same level of e-preparedness. There has to be a step-wise approach to e-Governance so that outcomes are maximized and citizens reap early benefits from e-Governance. Whether it be for providing information and services to the citizens or for streamlining the internal functioning of government organisations, each e-Governance initiative would have to be accompanied by a step-by-step analysis of the governmental processes involved and tested on the anvil of simplicity and desirability. This would lead to redesign of processes using technology. The process would result in, if required, changes in forms, processes, structures and laws and regulations. This exercise would form the backbone of e-Governance initiatives and should centre around the needs of the citizens.

Every e-Governance initiative would require its own technological solution. However, there would be commonalities across Union, State and local government levels. Further, there would be need for sharing of information and establishing connectivity across organizations at different levels. This would require standardization of basic requirements, adoption of interoperable platforms and creation of data storage and retrieval systems. In the end, the technological solution would have to be modified according to the specific needs of the organization with the help of field experts. The technological solution should be able to provide a simple interface to the citizens, be cost-effective, promote efficiency, be sustainable and reliable and lend itself to scalability.

5.1.5 Disciplined Way of Working

E-Governance requires a disciplined and systematic way of working in organizations. Most technologies pre-suppose a set of rational behaviour on the part of users. This element needs to be emphasized during the capacity building as well as in the life cycle of the project.

5.1.6 Monitoring and Evaluation

Close monitoring of e-Governance projects is necessary in both the pilot phase as well as during the actual working of the up-scaled project. This helps in early detection of problems and hence facilitates prompt corrective action. However, apart from periodic monitoring of e-Governance initiatives in the post-implementation stage, there would also be need for evaluation of the impact of such initiatives through independent agencies against parameters which would determine whether the objectives have been achieved or not.

5.1.7 Developing Secure, Fail-safe Systems and Disaster Recovery Systems

Given the scale of potential e-Governance applications in the country and the prospective mammoth flow of data involved, the technological architecture on which such applications are mounted would need to be made not only secure but also fail-safe. Mechanisms would have to be incorporated which would put the systems in the 'safe mode' in times of crisis. Further, depositories and 'mirrors' would need to be created with sound disaster recovery modules with adequate security features to prevent loss of data and collapse of the system. Unless security features are properly implemented, electronic transactions are more prone to fraud and abuse than traditional paper-based transactions. As governments move toward providing the full range of government services online with the capability to conduct sensitive transactions, it needs to be ensured that these transactions are secure and the privacy of citizens is not compromised. Over and above, these systems would also need to be insulated from the possibility of cyber-attacks, hacking etc.

5.1.8 Sustainability

In the end, e-Governance initiatives need to be sustainable. Once it has been established that any particular initiative is the better way of providing services or information to the people or conducting the business of government, it should not be allowed to relapse on grounds of expediency. Reforms are always harder to implement and sustain, but once they take root, they deliver the best results. Sustainability could be addressed in many ways – some initiatives may require designing in a way that they are financially sustainable. Others may be driven by administrative objectives or simplicity of use. Saving of time and money may be the driving force in case of some projects. All these are objectives, which on their own merit, justify the continuance of any particular initiative. If projects have been able to achieve any of these objectives, their sustainability should not be allowed to be jeopardized on some other grounds.

5.1.9 Allowing for Horizontal Applicability

A coordinating mechanism is needed to prevent cases of re-inventing the wheel. Different States across India face similar types of challenges. Past experience has shown that a number of States

have undertaken e-Governance projects to address similar concerns. Successes need to be adopted across States and organizations thereby minimizing costly repetitions, adapting user friendly interfaces and in many cases, avoiding failures. As India is a multilingual society, e-Governance initiatives also need to provide citizen interfaces in the respective local language.

5.1.10 e-Governance – a Continuing Process

e-Governance represents a paradigm shift in the field of governance reforms. Bringing it about would have to be a continuing process which would require many adjustments. e-Governance is a journey and not a destination.

5.2 Building a congenial environment for e-Governance

Making governance reforms rather than technology tools the key focus for e-Governance projects, a step-by-step approach to maximise outcomes and benefits, complete re-engineering of government systems and procedures, constant monitoring and evaluation and ensuring citizen-friendly interface including local languages is key to any successful e-Governance initiative. Building a congenial environment for successful implementation of e-Governance initiatives requires

- i. Creating and displaying a will to change within the government
- ii. Providing political support at the highest level. A clear mandate from State Governments for governance reforms must precede the e-Governance initiatives. This would involve, if necessary, changing procedures and even structures and statutes. Therefore as a first step, these issues need to be analysed, decision points identified and political approvals taken.
- iii. Incentivising e-Governance and overcoming the resistance to change within government
- iv. Creating awareness in the public with a view to generating a demand for change and obtaining their active participation in process simplification and designing of user friendly interfaces.
- v. Allowing and encouraging outsourced user terminals, in the manner of STD booths two decades earlier and PAN card application centers more recently. These may also need to be subsidized in case rural locations.
- vi. Finally, appointing an eminent technocrat from outside the government, to head the e-Governance project, in the manner done in case of the UID project.

Annexure II

Refurbishing Human Resource Pool & Enforcing Accountability

1. Civil Service Review Committee Report, 2001

The Committee was formed under the chairmanship of Prof. Y.K. Alagh in 1999. The Committee made recommendations mainly on recruitment process including Civil Services Examinations.

2. Surendra Nath Committee Report, 2003

The Committee was formed under the chairmanship of Lt. Gen. (Retd.) Surendra Nath, to review and make recommendations with regards to the system of performance appraisal, promotions and lateral movement in respect of All India Services and other Group-A services. The Committee recommended

- i. Computerization of Performance Appraisal System (PAS) and assigning of an agency for an effective monitoring. Development of Master Data Sheet (MDS), which could be used by the committee authorities concerned in various personnel actions, including promotions, selection for particular programs. It will also provide assistance to promotion or empanelment committee in accounting for systematic variations in grading across different state cadres of the same service and identifying inconsistencies between overall grades and grades for individual attributes.
- ii. The column on the state of health of Civil Servants may be replaced by a medical report obtained at least once every two year. Assessment of skills for higher assignment to be based on incumbent improving his/her relevant formal professional qualification, including career training and other relevant study training programs, etc.
- iii. Domain Knowledge: To enhance domain knowledge, Committee favoured assigning of several domains (say 3), so that the officer may develop interest in one or the other area and have opportunity to pursue their career in the area of his interest. Eleven domains were identified. These are; Agriculture and rural development, Social sector (Education, Health, Tribal Welfare, tec.), Cultural and Information, Natural Resource Management including Environment (Green Side), Energy and Environment (Brown Side), Community System and Connectivity infrastructure, Public Finance and Financial Management, Industry and Trade, Domestic Affairs and Defense, Housing and Urban Affairs and Personnel and General Administration.

3. NCRWC Recommendations on Public Administration

The National Commission to Review Working of the Constitution (NCRWC), set up in 2000 under the chairmanship of Justice Venkatchalliah submitted its report in 2002. Its report included chapters on “**Executive and Public Administration**” Some relevant recommendations of the National Commission to Review Working of the Constitution (NCRWC) are quoted below.

3.1 The questions of personnel policy including placements, promotions, transfers and fast-track advancements on the basis of forward-looking career management policies and techniques should be managed by autonomous Personnel Boards for assisting the high level political authorities in making key decisions. Such Civil Service Boards should be constituted under statutory provisions. They should be expected to function like the UPSC. The sanctity of parliamentary legislation under article 309 is needed to counteract the publicly known trends of the play of unhealthy and destabilizing influences in the management of public services in general and higher civil services in particular. [Para 6.7.1]

3.2 Above a certain level--say the Joint Secretary level - all posts should be open for recruitment from a wide variety of sources including the open market. Government should specialize some of the generalists and generalize some of the specialists through proper career management which has to be freed from day to day political manipulation and influence peddling. [Para 6.7.2]

3.3 Social audit of official working should be done for developing accountability and answerability. Officials, before starting their career, in addition to the taking of an oath of loyalty to the Constitution, should swear to abide by the basic principles of good governance. This would give renewed sense of commitment by the executives to the basic tenets of the Constitution. [Para 6.7.3]

3.4 The services have remained largely immune from imposition of penalties due to the complicated procedures that have grown out of the constitutional guarantee against arbitrary and vindictive action (article 311). The constitutional safeguards have in practice acted to shield the guilty against swift and certain punishment for abuse of public office for private gain. A major corollary has been erosion of accountability. It has accordingly become necessary to re-visit the issue of constitutional safeguards under article 311 to ensure that the honest and efficient officials are given the requisite protection but the dishonest are not allowed to prosper in office. A comprehensive examination of the entire corpus of administrative jurisprudence has to be undertaken to rationalize and simplify the procedure of administrative and legal action and to bring the theory and practice of security of tenure in line with the experience of the last more than 50 years. [Para 6.7.4]

3.5 The civil service regulations need to be changed radically in the light of contemporary administrative theory to introduce modern evaluation methodology. [Para 6.7.5]

3.6 The administrative structure and systems have to be consciously redesigned to give appropriate recognition to the professional and technical services so that they may play their due

role in modernizing our economy and society. The specialist should not be required to play second fiddle to the generalist at the top. Conceptually we need to develop a collegiate style of administrative management where the leader is an energizer and a facilitator, and not an oracle delivering verdicts from a high pedestal. [Para 6.7.6]

3.7 A parliamentary legislation under article 312(1) should be enacted. It should be debated in professional circles as well as by the general public. [Para 6.7.7]

4. Hota committee report

The Committee was appointed by Government in 2004 under the chairmanship of Shri P.C. Hota. The Committee noted at the outset that

“We are, however, aware that reforming the higher civil service is no substitute for reforming governmental processes and administrative structures. When citizen interface is substantially with the junior functionaries of government, there are obvious limits to achieving citizen-centric governance through reforms of higher civil service alone. Nevertheless, it is our hope that the principles emphasized in our Report will be taken to the cutting edge level. To ensure citizen-centric governance, many of the recommendations of our Report have gone beyond the higher civil service and touched upon the basic structures of the governmental machinery.”

The Committee also summed up some of the main observations of participants in their workshops. Some of these are as follows:

- (i) “By and large the civil service in India has lost its neutral and anonymous character and even though there are still some upright civil servants, they are getting marginalized in the process of governance.”
- (ii) “Increasingly, corrupt practices have become prevalent in the higher civil service and public perception of higher civil servants as a class is not edifying.”
- (iii) “The higher civil servants – particularly, officers of the Indian Administrative Service, Indian Police Service, and Indian Forest Service working in different States of the country do not have a fixed tenure in any post and hence are not able to achieve the targets fixed for them in their assignments. In the absence of any fixed tenure, these officers of the All India Services are not able to function as effective instruments of public policy and are simply wasted due to frequent transfers from one post to the other.”
- (iv) “A majority of civil servants are arrogant. They are not perceived as people-friendly and by and large they have lost touch with ground realities. There is a sharp decline in their field visits and inspections of field programmes. Civil servants in the States have almost

given up the earlier practice of sustained tours of remote areas and night halts in those areas which are so essential to understand and redress problems of the poor and the weaker sections of the community.”

- (v) “There is ‘groupism’ among higher civil servants and increasingly they have been divided along sectarian lines – an extremely unfortunate development.”
- (vi) “Some civil servants develop an unhealthy nexus with power brokers and do not hesitate to resort to questionable means to get good postings in India or abroad.”
- (vii) “After 15 years of service, a rigorous review should be made of performance of higher civil servants to weed out the corrupt and the inefficient. “
- (viii) “Article 311 of the Constitution is meant to protect honest and efficient civil servants and not to shield the corrupt and the inefficient. Article 311 of the Constitution should be amended to remove corrupt officials from service and give them an opportunity to defend themselves in a post decisional hearing only after their removal from service. If the civil servant is exonerated in the post-decisional hearing, he may be restored his entire service benefits including arrears of pay and allowances.”
- (ix) “The Indian Administrative Service should not monopolize all key posts in the Government of India. There are a large number of talented officers in other two All-India Services and the Central Services who deserve to hold key posts in Government of India under the Central Staffing Scheme or other key posts in the States.”
- (x) “Far too many officers of different services are promoted quickly and in the different States of the Indian Union there are a large number of officers of the grade of Commissioners, Principal Secretaries to Government, Additional Director Generals and Director Generals of Police. If too many top level positions in the IAS create problems of cadre management, too many senior posts in the IPS create problems of unity of command.”
- (xi) “Officers of different services who are some of the brightest when they enter the service do not feel motivated to excel in performance as they grow in the service. They stop reading books and journals so necessary to increase their domain knowledge. As issues in public administration are becoming increasingly complex and as some of these issues are scientific and technical in character, officers of the higher civil service, particularly officers of the IAS, as leaders of multi-disciplinary teams, must acquire more domain knowledge as they go into senior positions.”

- (xii) “Training of officers both in the foundational course and also in professional courses must be given adequate importance. At periodic intervals every officer of the higher civil service must spend a few months under training in Management Development or in other areas of skill formation. Compulsory visit to inaccessible rural areas and preparation of reports on the problems of such areas should be made part of training course.”
- (xiii) “Most of the civil servants fail to achieve results because they are not given targets of performance or the infrastructural support to achieve them. Most Departments/Ministries have no mission or vision statements. A reality check is essential through which performance of every Department and Ministry should be reviewed and the correctives applied. Without performance targets, the civil service degenerates into a closed priesthood with no accountability.”
- (xiv) “There is enough scope for a civil servant to introspect whether as a member of the higher civil service his conduct is free of blemish.”
- (xv) “Secularism and the Rule of Law are two of the basic features of the Constitution. But they will remain on paper unless they are enforced and in this task of enforcement the civil service should play a significant role.”
- (xvi) “Transfers and postings of officers of the civil service should be entrusted to a Civil Services Board/Establishment Board comprising senior civil servants.”
- (xvii) “Reforms in the higher civil service will not yield the desired result unless the lower formations of civil service at the cutting edge of administration improve their performance.”
- (xviii) “Those who deviate from the core values of the civil service such as honesty, integrity and political neutrality must be ostracized by the general body of civil servants. Service Associations/Departments of Government of India and Government of States should be encouraged to identify the corrupt and the inefficient in a secret ballot. The list of such officials may be forwarded to the Government of India and the respective State Governments for follow up action to remove the identified officers from service if such removal is justified on facts of the case.”
- (xix) “Workload of the civil service has increased manifold. Workload has increased in government because paperwork has increased and government is trying to do too many things at the same time. Government must re-orient itself to perform only core functions.”

- (xx) “Officers of the All India Service in the States particularly District Magistrates and Collectors and Superintendents of Police are spending too much time in protocol and security duties. To ensure that District Magistrates and Collectors and other senior officers in field formation get time to interact with the common people and solve their problems, protocol and security duties of these officials must be reviewed to limit their ceremonial functions.”
- (xxi) “Ideally, a Secretary to Government of India or officer holding an equivalent post or a Chief Secretary, Director General of Police, Principal Chief Conservator of Forests should have a tenure of at least two years but retire at the normal age of superannuation.”
- (xxii) “The civil service should be politically neutral to inspire confidence in their functioning under different political masters, often belonging to diverse political parties. To ensure that they remain politically neutral, they should not be given any post-retirement appointments as members/chairman of statutory commissions, quasi-judicial tribunals, or even in constitutional authorities such as the State Public Service Commission, Union Public Service Commission, Comptroller and Auditor-General of India, and Election Commission of India.”
- (xxiii) “A retired civil servant/a civil servant who has resigned should not be appointed to the high constitutional office of Governor of State unless there is a gap of at least two years between his resignation/retirement and appointment.”
- (xxiv) “A government servant on resignation or on retirement, should not be allowed to join a political party and contest any election for a political office on the ticket of a political party or even as an independent candidate. A period of two years must elapse before he is allowed to do so.”
- (xxv) “Ministers and Secretaries to the Government of India should not be from the same State. This will ensure that the common people perceive the relationship between the Minister and Secretary to the Government of India as a purely professional relationship.”
- (xxvi) “No member of the higher civil service should be appointed as Private Secretary to a Union Minister or a Minister of State with independent charge or a Minister in the State Government. Junior officers of the higher civil service often use their contacts to get appointed to such posts and exercise extra constitutional power.”
- (xxvii) “It is only when the political masters in a democracy take interest in civil service reforms that the reforms will acquire meaning and substance.”

5. 2nd Administrative Reform Commission

In its 10th Report, “**Refurbishing the Personnel Administration – Scaling new Heights**”, the Commission has made wide ranging recommendations pertaining to Human Resource Management and enforcing accountability. Some of the relevant recommendations are given below.

5.1 Stage of Entry into the Civil Services (Para 5.3.6)

Government of India should establish National Institutes of Public Administration to run Bachelor’s Degree courses in public administration/governance/management. In the long run it is expected that these specialized centres of excellence (National Institutes of Public Administration) would evolve as major sources of civil services aspirants. Selected Central and other Universities should also be assisted to offer such graduate level programmes in public administration/governance /public management which will produce graduates to further expand the pool of eligible applicants to the civil services. Graduates of the above mentioned special courses from the National Institutes of Public Administration and selected universities would be eligible for appearing in the Civil Services Examinations. Further, graduates in other disciplines would also be eligible to appear in the Civil Services Examination provided they complete a ‘Bridge Course’ in the core subjects mentioned above. The Bridge course should be run by the same selected national institutes/universities, which conduct the graduate level courses.

5.2 Capacity Building (Para 6.8)

Every government servant should undergo a mandatory training at the induction stage and also periodically during his/her career. Successful completion of these trainings should be a minimum necessary condition for confirmation in service and subsequent promotions. The objective of mid-career training should be to develop domain knowledge and competence required for the changing job profile of the officer.

5.3 Recruitment at Group ‘B’ Level (Para 7.3.3)

Prima facie the Commission is of the view that in order to infuse fresh thinking, a certain percentage of vacancies (say 25% every year) at the level of Section Officer as well as for other specialized Group ‘B’ posts, should be filled through ‘Direct Recruitment’.

5.4 Recruitment for LDCs (Para 7.6.6)

The Commission endorses the stand taken by the Government that recruitment of LDCs should be phased out.

5.5 Placement at Middle Management Level (Para 8.7)

In posting officers in Government of India, the primary consideration should be to select the most suitable person for the post that is on offer. Domains should be assigned by the Central Civil Services Authority to all officers of the All India Services and the Central Civil Services on completion of 13 years of service. The Central Civil Services Authority should invite

applications from all officers who have completed the minimum qualifying years of service, for assignment of domains. The applications should specify the academic background of officers, their research accomplishments (if any) and significant achievements during their career, relevant to the domain applied for. A consultative process should be put in place where the officers should be interviewed and their claims to specific domains evaluated. The Authority should thereafter assign domains to the officers on the basis of this exercise. In case some domains do not attract applicants, the Authority should assign these domains to officers with the relevant knowledge and experience.

All vacancies arising at the level of Deputy Secretary/Director during a financial year should be identified well before the beginning of that financial year, by the Department of Personnel and Training (DOPT). The Ministries concerned should also give a brief job description for these positions. All these posts and their job description should be notified to the cadre controlling authorities of the concerned All India Services and Central Services. On receipt of nominations from the cadre controlling authorities, the DOPT should try to match the requirements of various positions with the competencies of the officers in the 'offer list'. The DOPT should then seek approval for the entire list from the Competent Authority.

The Central Civil Services Authority should be charged with the responsibility of fixing tenure for all civil service positions and this decision of the Authority should be binding on Government. Officers from the organized services should not be given 'non-field' assignments in the first 8-10 years of their career.

State Governments should take steps to constitute State Civil Services Authorities on the lines of the Central Civil Services Authority.

5.6 Placement at Top Management Level (Para 9.8)

The present empanelment system for short-listing officers for posting at the SAG level and above should be replaced by a more transparent and objective placement procedure. At higher levels in government, it is necessary to ensure that the tasks assigned to a public servant match his/her domain competence as well as aptitude and potential. Ministries should classify all of their SAG level posts according to their relevant functional domains.

There is need to introduce competition for senior positions in government (SAG and above) by opening these positions in Government (including attached and subordinate offices) to all Services. This principle would apply to all posts including those that are presently encadred with the organized Group 'A' Services. In order to operationalise this, government should make the continued participation of any of the organised civil services in the Central Staffing Scheme, contingent upon the implementation of this principle in those Departments/Cadres. For the positions at the Joint Secretary/SAG level and above, the Central Civil Services Authority would invite applications from amongst all the eligible officers from the All India Services and Group 'A' Central Services which are participating in the scheme. For positions at the HAG level and above, the Central Public Service Authority would, in consultation with Government, earmark

positions for which outside talent would be desirable. Applications to fill up these posts would be invited from interested and eligible persons from the open market and also, from serving eligible officers. While carrying out this exercise, the Central Civil Services Authority would stipulate the eligibility criteria, the required domain expertise as well as the requirements of qualifications, seniority and work experience. The Authority would conduct interviews to short-list suitable officers for these posts. Government would make the final selection on the basis of this shortlist.

A Central Civil Services Authority should be constituted under the proposed Civil Services Bill. The Central Civil Services Authority shall be a five-member body consisting of the Chairperson and four members (including the member-secretary). The Authority should have a full time Member-Secretary of the rank of Secretary to Government of India. The Chairperson and members of the Authority should be persons of eminence in public life and professionals with acknowledged contributions to society. The Chairperson and members of the Authority shall be appointed by the President on the recommendations of a Committee consisting of the Prime Minister and the Leader of the Opposition in the Lok Sabha.

The Central Civil Services Authority should deal with matters of assignment of domains to officers, preparing panels for posting of officers at the level of Joint Secretary and above, fixing tenures for senior posts, deciding on posts which could be advertised for lateral entry and such other matters that may be referred to it by the Government.

5.7 Performance Management System (Para 11.15)

A good employee performance appraisal system is a pre-requisite for an effective performance management system. The existing performance appraisal system should be strengthened to make appraisal more consultative and transparent – performance appraisal systems for all Services should be modified on the lines of the recently introduced PAR for the All India Services. Government should expand the scope of the present performance appraisal system of its employees to a comprehensive performance management system (PMS).

Annual performance agreements should be signed between the departmental minister and the Secretary of the ministry/heads of departments, providing physical and verifiable details of the work to be done during a financial year. The actual performance should be assessed by a third party – say, the Central Public Services Authority – with reference to the annual performance agreement. The details of the annual performance agreements and the result of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/Outcome Budget.

5.8 Motivating Civil Servants (Para 12.5)

It should be the responsibility of the head of the office to examine the job content of each person working in the organization to ensure that the job content is meaningful and challenging so that the employee derives a sense of satisfaction in performing the tasks assigned to him/her. The head of the office could seek the assistance of a professional agency for this purpose. Each head

of office should ensure that a congenial work environment is created in the office. His/her success in this should be an element in evaluating his/her performance.

5.9 Accountability (Para 13.4)

A system of two intensive reviews – one on completion of 14 years of service, and another on completion of 20 years of service - should be established for all government servants. The first review at 14 years would primarily serve the purpose of intimating to the public servant about his/her strengths and shortcomings for his/her future advancement. The second review at 20 years would mainly serve to assess the fitness of the officer for his/her further continuation in government service. The services of public servants, who are found to be unfit after the second review at 20 years, should be discontinued. A provision regarding this should be made in the proposed Civil Services Law. Besides, for new appointments it should be expressly provided that the period of employment shall be for 20 years. Further continuance in government service would depend upon the outcome of the intensive performance reviews.

5.10 Disciplinary Proceedings (Para 14.6)

In the proposed Civil Services law, the minimum statutory disciplinary and dismissal procedures required to satisfy the criteria of natural justice should be spelt out leaving the details of the procedure to be followed to the respective government departments. The present oral inquiry process should be converted into a disciplinary meeting or interview to be conducted by a superior officer in a summary manner without the trappings and procedures borrowed from court trials. This would require that the CCS (CCA) Rules, 1965 be repealed and substituted by appropriate regulations.

5.11 Relationship between the Political Executive and Civil Servants (Para 15.6)

There is a need to safeguard the political neutrality and impartiality of the civil services. The onus for this lies equally on the political executive and the civil services. This aspect should be included in the Code of Ethics for Ministers as well as the Code of Conduct for Public Servants.

5.12 Other Recommendations

The Commission would like to reiterate its recommendation made in its Report on “Ethics in Governance” while examining the definition of corruption under the Prevention of Corruption Act, 1988, wherein it has been recommended that “abuse of authority unduly favouring or harming someone” and “obstruction of justice” should be classified as an offence under the Act.

A new Civil Services Bill may be drafted. ‘Civil Services Values’ and the ‘Code of Ethics’ should be incorporated in the proposed Civil Services Bill.