



Civil Services Day

21st April, 2011

# Proceedings



सत्यमेव जयते

Department of Administrative Reforms & Public Grievances  
Ministry of Personnel, Public Grievances & Pensions  
Government of India

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## *Welcome Address*

Shri K. M. Chandrasekhar  
*Cabinet Secretary*

**R**espected Prime Minister, Hon'ble Minister of State for Personnel, Principal Secretary to the PM, Secretary, Administrative Reforms, distinguished friends, ladies & gentlemen.

I extend a very warm welcome to all of you on the occasion of the Sixth Civil Services Day celebrations. On behalf of all my colleagues I would like to express my deep gratitude to the Hon'ble Prime Minister for being with us and for having agreed to address us on this occasion. We feel truly honoured and



*Cabinet Secretary delivering his Welcome Address*

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privileged. The Prime Minister has always been a source of inspiration to civil servants all across the country and we depend heavily on his support and encouragement. I would also like to thank the Hon'ble Minister for Personnel for his kind presence today. He has assumed this responsibility only recently and has already made his mark as a catalyst for change.

Celebration of Civil Services Day every year on 21<sup>st</sup> April has acquired a special place in our administrative calendar. The event has established itself as an occasion for constructive dialogue on a wide range of issues. It also serves to encourage excellence in administration by honouring exemplary performance in public administration. At a personal level it has been a unique honour to have been associated with this event for the last four years for it has allowed me to interact and share ideas with my fellow colleagues. I have been privileged to meet with exceptionally talented officials from different services who have performed remarkably well both in constructing a new India especially rural India & in handling adverse circumstances. It is heartening to see how so many of our officers are quietly but effectively transforming organizations and delivery mechanisms & thus setting new standards for others to emulate. During my visits to states I have come across a crop of highly talented, committed young officers at various levels which augurs well for the future of this great country.

We propose to dwell in the course of this day on some topical subjects of professional interest to administration. These include Ethics and Transparency in Governance and Improvement in Public Service Delivery Systems. In this context I may recall that the Second Administrative Reforms Commission has submitted fifteen reports on various facets of governance, out of which Government has taken decision on thirteen reports. Out of 1251 recommendations contained in these thirteen reports 1005 recommendations have been accepted by the Government and out of these 430 have been implemented. The remaining 575 are under various stages of implementation. A large number of recommendations pertain to States and Union Territories. I

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would take this opportunity to urge the States and Union Territories to consider these quickly and take appropriate action. Proactive measures like effective use and dissemination of the RTI Act, citizens charters, grievance redress mechanisms, revamp of public service delivery mechanisms through *sevottam* approach, e-Governance initiatives and mission mode projects have already shown impressive results and now we need to make concerted efforts to ensure that the benefits from these are felt by the people at large. The Performance Management System introduced in late 2009 with the approval and support of the Hon'ble Prime Minister has made rapid strides in the Central Government and has been adopted by some State Governments.

We are aware of the importance the Government attaches to the goals of inclusive growth and equitable development. Flagship programmes of the Government of India are major drivers in this respect. Schemes like NREGS, JNNURM and housing schemes for the urban and rural poor have tremendous potential to usher in quality improvement in various sectors and lift people from poverty and backwardness. A large portion of our budget outlays is being spent on these programmes. We need to continuously look at the design and implementation framework of the schemes and also participatory and accountability issues in order to get the best out of these initiatives. I hope that we will have useful discussions on these subjects.

In the present context there is one area of governance that needs some particular attention. This relates to redress of public grievances. We have systems in place in all Ministries and in all State Governments to address such grievances at all levels and to find solutions wherever we can. A strong monitoring system to examine at each higher level the redress of grievances at the next lower level would make a huge difference to the quality of administration and transform public perception regarding governance. In a democratic system we have to make sure that the grievances of the common man are heard and addressed especially of those who have little or no access to authority.

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I once again warmly welcome the Hon'ble Prime Minister and the Hon'ble Minister of State, Personnel for their gracious presence here today. I welcome too the Principal Secretary to PM, all my colleagues from Central and State Governments and representatives of the media.

Thank you very much.

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## *Address*

**Shri V. Narayanasamy**

*Hon'ble Minister of State (PMO & Personnel, P.G. & Pensions and Parliamentary Affairs)*

**H**on'ble Prime Minister Dr Manmohan Singhji, Cabinet Secretary Shri K.M. Chandrasekhar, Principal Secretary to PM Shri T.K.A. Nair, Secretary (DARPG & P) Shri R.C. Misra, Members of the Civil Services, Ladies and Gentlemen,

Let me first express my gratitude to the Prime Minister for being amidst us. Civil Services Day is an event of significance for our country. It is a day set apart for introspection for all those who recognize the contribution of the civil



*Minister of State (PMO & Personnel, P.G. & Pensions and Parliamentary Affairs) delivering his address*

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services in nation building and want them to come up to the legitimate expectations of the people.

The inaugural session today is sixth in the series. The idea of observing Civil Services Day on 21<sup>st</sup> April as an occasion for the renewal of the commitment to public service emerged in the year 2006 and has had the full blessings of the Honourable Prime Minister since then. We are grateful to you Sir, for this act of foresight and for institutionalizing a concept into a system a benefit of which can be seen in the constantly improved quality of the Civil Services Day discussions.

As we all know, India's first Home Minister, Sardar Vallabhbhai Patel, addressed the probationers at the All India Service Training College on 21.04.1947 a date which is the reference date for this event. In that speech he mentioned four crucial words (i) dignity, (ii) integrity, (iii) incorruptibility, and (iv) impartiality.

Governance, indeed, means *ensuring* dignity, integrity, incorruptibility and impartiality of the *system*. That is why ethics in governance, a topic we are discussing today, matters.

Let me put the same thing a bit differently. Good governance, in my opinion, is the capacity to (i) reward performance, competence, integrity and innovation, and (ii) rectify non-performance, incompetence, dishonesty and status-quo. Utmost respect for democracy and human dignity is another ingredient and so is the crafting of transparency and accountability into the governance system.

Concern of the Hon'ble Prime Minister Dr Manmohan Singh on these issues is reflected in his decision to set up the Second Administrative Reforms Commission and setting up of a Group of Ministers to consider its recommendations. The result today is that the Government of India has

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accepted 1005 reform recommendations for implementation, covering (i) ethics, (ii) e-Governance, (iii) financial management, (iv) central, state, district and local administrations, (v) grievance redress, (vi) RTI, (vii) NREGA, (viii) social capital sector, (ix) conflict resolution strategies, and (x) disaster management. An agenda of utmost value has, thus, been set for the country for reform, and is being implemented in the right earnest.

The deepening of democracy in India has created space for the assertion of the sovereign-will. It is a welcome sign because in democracy this assertion matters most. To facilitate this process structurally, Government of India has taken a number of measures. The contribution of India's Right to Information Act in the process of democratization is being appreciated all over the world.

Our country also has a National e-Governance Plan with 27 Mission Mode Projects touching a whole range of organized lifenamelny (i) banking, (ii) central excise & customs, (iii) income tax, (iv) insurance, (v) MCA21, (vi) national citizen database, (vii) passport, (viii) immigration, visa and foreigners registration & tracking, (ix) pension, (x) e-Office, (xi) agriculture, (xii) commercial taxes, (xiii) e-District, (xiv) employment exchange, (xv) land records, (xvi) municipalities, (xvii) gram panchayats, (xviii) police, (xix) road transport (xx) treasuries, (xxi) Common Services Centers, (xxii) e-Biz, (xxiii) e-Courts, (xxiv) e-Procurement, (xxv) e-Trade, (xxvi) National Service Delivery Gateway, and (xxvii) India Portal.

Other countries, too, have their national e-governance plans. India's National e-Governance Plan has the strength of the democracy of our country, and is doubly strengthened by the minds of Indians to innovate, assimilate and implement Information and Communications Technology.

The significance of Social Audit Mechanism in India's governance is increasingly being felt now, particularly after the 73<sup>rd</sup> amendment of the Constitution relating to Panchayat Raj Institutions. It has become a mechanism

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of reality check, measuring the extent to which an organization or a project lives-up to the shared values and objectives it has committed itself to. Social Audit reflects the voice of the society, gives independent feedback on performance, empowers people by giving a voice in decision-making, and ensures disclosure of accounts to the wider community.

Implementation of Sevottam quality management framework in Central and State Governments is another milestone in India's citizen-centric governance, symbolizing the change in the mind-set within the Government from 'administration and control' to 'service and enablement'. Through it, a citizen can lodge a grievance from any internet facility across the world, and the respective Ministries/ Departments can access the grievance and take action. The citizens also have a facility to view the progress of their grievance and send reminders directly to the Ministry concerned. The framework enables implementing organizations to undertake a systematic, credible and authenticated self-assessment (or 'gap analysis') for citizen centric service delivery.

The launch of AADHAAR programme in a tribal village on 29<sup>th</sup> September 2010 by Unique Identification Authority of India is another ray of hope for our citizens. The programme shall be a platform for direct transfer of benefits and subsidies to the poor and shall, thus, expand financial inclusion in a big way.

Ladies and Gentlemen, on the occasion of the Civil Services Day, I have highlighted these examples to illustrate the premise that governance in democracy has to constantly innovate and transform in public interest. There are no softer solutions.

There is another point, relating to acquisition of knowledge in public institutions and aspects of innovation arising out of it. Human knowledge is expanding at a speed which was unthinkable even a decade ago. In public

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institutions we can innovate on the basis of our experience, but we can innovate better and systematically if we learn from research and best practices. To be competent and relevant, governance structures have to constantly re-invent, document and learn by comparison. They also have to reward innovation and understand the value of change management principles.

Therefore, on Civil Services Day, a good tradition has been established to

- (i) reward the outstanding and exemplary performance of civil servants who bring in innovation/ reform/ efficiency/ integrity/ enterprise into the system, and
- (ii) disseminate documents on the award winning innovations in the field of public service.

The Department of Administrative Reforms and Public Grievances of my Ministry has a mandate to identify, incubate, document and disseminate the best practices in the field of public administration, for which regional conferences are organized each year and a knowledge portal of high quality is maintained. The Department also prepares change management documents. Examples are (i) Social Accountability Framework Document, (ii) Risk Management Framework Document, and (iii) A Report on Change Management Framework for e-Governance Projects.

Over the years national conferences on e-Governance in India have emerged as a platform of discourse for the IT managers of the central and state governments, software solution providers, entrepreneurs and researchers to name a few. The Government of India sees e-Governance as an instrument of transparency and ethics. Being organized by two Departments of Government of India and a state government department, national conferences on e-Governance in India have the authenticity and inter-disciplinary synergy. The National Conference on e-Governance is also an occasion to award excellence.

The 14<sup>th</sup> National Conference on e-Governance, held this year, awarded (i) excellence in government process re-engineering, (ii) exemplary re-use of ICT based solutions, (iii) outstanding performance in citizen centric service delivery,

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(iv) innovative use of technology in e-Governance, (v) innovative use of ICT by PSUs for the benefit of the consumers, (vi) best government portal, and (vii) ICT in agriculture.

Let me now conclude the thrust of my address, and prioritise the significance of public interest in the structures and functions of civil services. People of India are our sovereign and have to be served with dedication and integrity.

On the occasion of the 6<sup>th</sup> Civil Services Day, I wish success to all the members of civil services.

Thank you very much.

Jai Hind!

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## *Prime Minister's Awards for Excellence in Public Administration*

**T**he Government of India has instituted “Prime Minister's Awards for excellence in Public Administration” to acknowledge, recognize and reward the extraordinary and innovative work done by officers of the Central and State Governments. The scheme is envisaged to acknowledge the outstanding and exemplary performance of civil servants. The award carries with it :

- i) A medal
- ii) A scroll, and
- iii) Award money of ` 100,000. In case of a group of officials total award money for that group will be ` 5 lakhs subject to a maximum of ` 1 lakh per person. The amount for an organization will be upto a limit of ` 5 lakhs.

Nomination of an individual or a group of officers or an organization can be made by Central Government Departments / Ministries / State Governments / Non-Governmental Organisations and other stake-holders.

The Hon'ble Prime Minister of India gave away the Awards for the year 2009-10 on the Civil Services Day to 5 initiatives across various sectors. A brief write-up on each of the award-winning initiative is as follows :-

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## Category - Individual

Initiative: Bridging the Gap - The Turn around of Bihar Rajya Pul Nirman Nigam – A Success Story

Name of the Awardee: Shri Pratyaya Amrit, IAS, Secretary,  
Rajya Pul Nirman Nigam Ltd., Patna

**R**ajya Pul Nirman Nigam (RPNN), established in 1975, was a defunct organization by 2005. RPNN was plagued by problems like excess of non-plan expenditure, budget constraints, few projects and poor execution, which resulted in low profitability. By 2006, the Government decided to wind up the organization, owing to losses of ` 17 crore.



*Shri Pratyaya Amrit receiving the Award*

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Shri Pratyaya Amrit took charge as the Chairman of RPNN in April, 2006. The First three months were spent in interacting with employees, field visits, studying successful organizations, etc. Based on the findings, two steps were initiated – withdrawal of liquidation petition and revival of the Board of Directors. As the employees were grappling with irregular salaries, the state cabinet approved fixation of percentage charge. Engineers with right skills were identified and posted. A few new divisions were created without any extra burden on establishment cost. The engineers were provided with vehicles, General Packet Radio Service (GPRS) enabled mobile phones and administrative freedom, which motivated them. The phones were installed with software called Mobile Inspector, through which photographs of the actual work at site could be accessed at the Headquarters. Online monitoring was installed at the Headquarters and officers down to the rank of Assistant Engineers were provided with Laptops. Monthly review meetings were conducted with the engineers in the presence of contractors and third-party quality consultants. Quality laboratory was modernized with latest equipment, and third-party quality check was introduced. Professionals were roped in to motivate the engineers. Other motivation efforts included community lunches, celebrating major festivals, yoga camps, Art of Living sessions, setting up gymnasium, etc. Brain storming sessions were conducted at regular intervals. Several incentives were introduced including vacation to a foreign destination for completing pending projects speedily.

All the pending bridges were completed by December 2008 and the loss making corporation came out of debt. RPNN Became an ISO 9001 and ISO 14001 certified company with overriding commitment to timely completion and quality maintenance as primary goals. On June 12, 2008, 140 bridges built of ` 80 crore in the last fiscal year. It diversified into new sectors like roads and building construction, irrigation projects, beautification of State Capital, and Patna Roads Project.

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## Category - Team

Initiative: Success Story of Malkapur 24x7 Water Supply Scheme

- Name of the Awardees:
1. Mr. Rajendra Ganeshlal Holani  
Chief Engineer, Maharashtra Jeevan  
Pradhikaran, Region Aurangabad
  2. Mr. Sadanad Kashinath Bhopale,  
Section Engineer
  3. Mr. Sunil Yashwant Basugade,  
Section Engineer
  4. Mr. Uttam Pandurang Bagade,  
Section Engineer  
Office of the Executive Engineer,  
Maharashtra Jeevan Pradhikaran,  
Works Division, Karad,  
District: Satara.



*Shri Rajendra Ganeshlal Holani receiving the Award*

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**M**alkapur town piped water supply scheme, commissioned in 1988 was envisaged to supply 40 liters per capita per day (LPCD) on the basis of an estimated population growth of 14,000 by 2010. But the town's population increased 50% more than the estimated growth and 10 years earlier than the projection. This resulted in poor and unreliable supply of water and untimely service. To overcome this problem, a distribution network was designed using “Water Gems” software ensuring ‘24x7 availability’. The transparent process of manufacture of pipes involving the village Panchayat-members ensured quality. The methodology regarding the resin to be used for manufacturing these pipes was tendered and accredited by an international agency. Third party inspection, an essential pre-requisite as per the tender, was carried out and certified by an inspection agency. Thus, it was ensured that the pipes used for connections conformed to relevant ISO standards. Similarly, Automatic Meter Readers (AMR meters) used in the project too were third-party inspected. Laying the pipelines was properly planned, and phased zone-wise execution was completed in time. Local residents and stakeholders including the public representatives undertook a special drive to convince people to fix proper stop-cocks. Progressive/telescopic water tariff system was introduced to curb excessive usage of water.

This initiative improved the delivery time and services of water supply. It also contributed to good quality of water-delivery as a result of pressurized water throughout the day and night. 30% reduction in wastage of water was ensured with telescopic tariff structure and with gradual decrease in the number of hours of water supply from 19-20 hours to 13-14 hours per day. Simplification of billing procedure with AMR type meter installation ensured that reading could be taken remotely by driving through the streets using radio-frequency driven hand-held devices. As the pumping of water to the water tank on terraces was not required, use of electricity was remarkably reduced leading to energy conservation and reduction in pollution, to an estimated extent of 450 tons of carbon dioxide in the atmosphere. The system of automation using GSM technology reduced the cost of operation and eliminated the requirement of pump operators.

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## Category - Team

Initiative: Education and Training Centre (ETC) - Dreams to Reality

Name of the Awardees: 1. Mr. Vijay Shantilal Nahata, IAS  
Municipal Commissioner,  
Navi Mumbai Municipal Corporation  
(NMMC)  
2. Ms. Varsha Vishwajeet Bhagat,  
Director - ETC

**A**n Education and Training Centre for children with hearing-impairment was started in 2007 and later expanded to cater to other types of disabilities. This led to formation of ETC. A Management Committee with the Commissioner of Navi Mumbai as the Chairman designed strategies for ETC. Students seeking admissions were observed and assessed, and the parents



*Shri Vijay Shantilal Nahata receiving the Award*

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counseled about their role in educating their child. A home-visit was made to validate the information received and check the environment at home. Based on several requests for therapeutic treatment, units for OPD and remedial education were built and various sections for children with hearing-disability were started. Remedial education unit and pre-vocational unit were also started. The Centre provided uniform, teaching-learning material, appliances etc. Door-to-door transport was provided for special children and nutritious and tasty meals were served to them, duly considering their requirements. Various therapies like auditory verbal therapy, speech-language therapy, physiotherapy, occupational therapy, parent training and guidance were conducted. The process of issuance of disability certificates was also revamped.

ETC organized community-based rehabilitation programs, rallies, workshops, street-plays and also distributed booklets, articles and pamphlets to create awareness among general public. Awards and reward schemes were implemented during 2009-10 and several implant and corrective surgeries undertaken. Financial help for marriage of handicapped people and funding for self-employment and educational support were extended. Exhibitions of articles made by these children were organized and persons with disability were recruited by NMMC and ETC.

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## Category - Organization

Initiative: Sickle Cell Anemia Control Programme, Government of Gujarat

Name of the Organization: Commissionerate of Health, Medical Services & Medical Education, Gandhinagar, Gujarat

**S**ickle Cell Anemia (SCA) patients suffer throughout their lives right from their birth. According to a survey conducted by Indian Council for Medical Research (ICMR), amongst the primitive tribes of south of Gujarat, viz. Kolcha, Kotwadia & Kathodi, 30% of SCA-affected children die before they reach 14 years and the remaining 70% die by the age of 50. In the year 2005-06, the Department of Health & Family Welfare of Government of Gujarat (GoG) passed a resolution to initiate SCA Control Programme in 4 districts of south Gujarat. In 2010, it was extended to all 12 tribal districts of Gujarat.



*Commissionerate of Health, Medical Services & Medical Education receiving the Award*

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Initially, 78 Government and NGO Institutions were involved in the program from 4 tribal districts of south Gujarat. As of December 2010, there were 414 centers across the 12 tribal districts of Gujarat that were involved in comprehensive care of SCA patients. The Government has taken up the challenging task of Mass Sickle Cell Screening of all 61.62-lakh tribal population of Gujarat within 5 years at a cost of ₹ 24.76 crore. This work was initiated with Government-NGO public-private partnership – i.e. partnership with Indian Red Cross Society and Valsad Raktan Kendra, an NGO. The screening included all age groups along with special emphasis on adolescent screening, antenatal screening and New Born Screening (NBS). The Government installed High Performance Liquid Chromatography (HPLC) based NBS-Variant machine at Valsad and initiated NBS screening for SCA detection from dry blood samples collected on filter paper from heel prick of new born babies. The Government of Gujarat signed an MOU with GIOSTAR, a USA-based company for creating stem cell faculties at the Government Medical College, Surat, Stem cell transplantation brought back hope of survival for these patients in Gujarat. Consistent and uninterrupted supplies of basic medicines like folic acid and painkillers were assured through PHCs. CHCs and Sub banners, pamphlets, movies and jingles were created in vernacular language and made available at all levels including at sub centers of PHCs.

From February 2006 to June 2010, a total of 10,69,475 tribal people benefited from this programme, by way of diagnosis for presence of Sickle Cell Disease. 8,116 (0.76%) individuals with Sickle Cell Trait were provided necessary counseling and wherever necessary, marriage counseling was also done amongst youngsters. As a result, tremendous awareness is noticeable amongst tribal people of Gujarat by way of their participation in prenatal diagnosis and new born screening program, thereby reducing morbidity and mortality as a result of this genetic disorder.

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## Category – Organization

Initiative: Sustainable Plastic Waste Management in Himachal Pradesh:  
From Concept to Policy

Name of the Organization: Department of Environment,  
Science and Technology (DEST),  
Government of Himachal Pradesh

**T**he GoHP had undertaken proactive role and initiatives towards awareness-generation, action and advocacy to preserve and protect the environment. In the wake of rapid population growth, urbanization, industrialization and other development imperatives, implementation of the initiative posed a big challenge. In April 2009, the GoHP decided to work towards a comprehensive “Sustainable Plastic Waste Management Plan” to control the use of plastic and its disposal.



*Secretary, Department of Environment, Science and Technology (DEST)  
receiving the Award*

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The initiative was undertaken in three stages:

Stage-I (Apr' 09 - Nov' 09) - Creating an enabling framework: For technological solution, DEST with experts from Central Road Research Institute, Delhi, worked out a cost-effective technology of use of plastic in road construction as a result of which the road showed increased strength and better resistance to rain water and water stagnation. To make it sustainable and replicable, a comprehensive plan was developed. Draft notifications imposing complete ban on use of polythene / plastic carry bags were issued.

Stage-II (Dec' 09 - Mar' 2010) - Enhancing awareness & broad-basing the initiative: A two phase "Polythene Hatao – Paryavaran Bachao" campaign was conceived. In Phase-I, voluntary cleaning was carried out. General public was sensitized by use of jingles, video clippings, and documentary films, etc. In Phase-II, the performance of Phase-I was evaluated, and outcome was submitted to the State Government by the Deputy Commissioners based on which, the best performing Districts / Panchayats were identified.

Stage-III (Apr' 10 - ongoing) - Consolidation and Sustainability: Meetings were held with Public Works Department (PWD), DEST and Additional Chief Secretary (Environment) to decide on – (a) Notification of all collection centres by te Deputy Commissioners; (b) Registration by the Deputy Commissioners of the NGOs, organizations, institutions, door-to-door waste collectors affiliated with the collection centres; (c) Nomination of Junior Engineers by the PWD for overseeing the lifting of waste from the collection centers with payment terms for lifting having been decided; (d) Records to be maintained on the quantity of waste collected; (e) Identification by PWD of stretches of road to be metalled throughout the state; and (f) Collection of plastics / cleaning of hot spots.

GoHP successfully developed and implemented the system to meet the challenge of plastic menace through the "Sustainable Plastic Waste

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Management Plan“ and adopted it throughout the state. Thus, total disappearance of plastic carry-bags, awareness among citizens and cleaner Himachal could be achieved. Cost-saving in the road construction up to ` 35,000 to ` 40,000 per km of road was an additional benefit realised by the GoHP.

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Prime Minister's Awards for  
Excellence in Public Administration Awardees  
2009 - 10



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## *Address*

**Dr. Manmohan Singh**  
*Hon'ble Prime Minister of India*

I am very happy to be amidst you on the occasion of the sixth Civil Services Day. I welcome all of you to this gathering. I also extend my greetings to all members of the Civil Services on this occasion.

Let me also congratulate the officers who have won awards today for excellence in their work. I am sure their example will inspire other civil servants to higher levels of commitment and performance in the service of our nation.



*Prime Minister addressing the delegates*

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I am happy that one of the sessions today is devoted to the issue of Ethics and Transparency in Governance. This is a subject which has attracted a great deal of attention in the recent days. There is a growing feeling in the people that our laws, systems and procedures are not effective in dealing with corruption. We must recognize that there is little public tolerance now for the prevailing state of affairs. People expect swift and exemplary action and rightly so. As I have said earlier, corruption is an impediment to faster growth, and hurts the poor most. It is a challenge that we must tackle boldly and we stand committed to doing so.

Our aim is to strengthen the legislative framework, revamp administrative practices and procedures and fast track a systemic response to fighting corruption. A Group of Ministers is looking into the legal and administrative measures that can be taken in this regard. The group has a wide ranging mandate and I expect its recommendations to be available very soon. A committee of Ministers and representatives of civil society is at work to finalize the draft of a Lokpal bill, which we hope to be able to introduce during the monsoon session of Parliament. Two bills relating to judicial accountability and protection of whistle blowers have already been introduced in Parliament. We will soon ratify the United Nations Convention on Corruption. We are committed to bringing more transparency in public procurement and to ensuring that disinvestment of public utilities and allocation of public resources are done in a manner that best safeguards the interests of the asset-owning public. I urge all civil servants to contribute to our efforts in fighting corruption. Each one of you is in a position to do so in many meaningful ways and I hope to see renewed energy emanating from you in this fight. I expect you to be honest and fearless in advising your superior authorities, especially the political leadership. Those of you who serve in senior positions would do well to also encourage your subordinate officers in this direction.

People value the work done by honest and dedicated civil servants and look up to them. I would like all of you to work to strengthen the trust and faith

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which people still have in civil servants. The spontaneous support of the people of Malkangiri, when the Collector of the district was kidnapped by left-wing extremists, is a pointer to the extent of goodwill that well meaning and honest civil servants can achieve. I do believe that the core of the Civil Services is sound and rooted in values of integrity and fair play. It is a pity that instances of individual waywardness, of lack of moral courage, and of surrender to pressures and temptations tarnish the image of the Civil Services and lead to immense criticism and dissatisfaction. I believe it is only upto the Civil Services as a whole to set the highest standards of probity and integrity in public and personal life and to create an atmosphere and a work ethic which encourages honesty and integrity. Disapproval and even ostracization by peers and colleagues can be a powerful deterrent for those who tend to stray from the path of rectitude.

I understand that another session today has been devoted to the challenges of economic management. Our economy has been in reasonably good shape in the past seven years. We have achieved an impressive rate of growth which we were able to sustain even in the midst of the worst global financial crisis of recent times. But, during the past year and a half, persistent inflation, especially in the food sector, has become a cause for concern. Our consistent policy has been to control inflation without hurting growth. We have strived for a delicate and difficult balance to achieve this. Food prices rose following the drought in 2009. Although the situation has improved in recent months, and food inflation has come down to single digit levels, the long term solution lies in increased production and productivity in the agriculture sector. The needs of a growing and increasingly more prosperous population can only be met by enhanced production of a diversified basket of agricultural products. We have to make a concerted effort to enhance our food security. The Civil Services again have a major role to play in achieving a higher rate of growth in the agriculture sector. I hope you will pay more focused attention to this area, and more specially to the preparation and implementation of district level agricultural plans. At the state level some of the brightest officers should be

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appointed to critical position of agricultural development commissioners and similarly every efforts should be made to upgrade extension services.

I would also like to take this opportunity to lay stress on the importance of strengthening local level governance through panchayats and municipalities. Our country is too large to be governed effectively from the Centre or even from the State capitals. We have to decentralize power, decentralize decision-making and decentralize the implementation of various development schemes. This is the only way to involve and empower people in shaping their own future. The success of the third tier of governance is critical to improved delivery of services and better design and implementation of schemes. While the constitutional framework has been in place for some time, most states have shied away from giving effective powers and responsibilities to the third tier. Our civil servants must do their utmost to facilitate real decentralization of governance in our country.

While our overall security situation has been reasonably satisfactory in the past few months, there is no room for any relaxation of vigil on our part. Combating Left Wing extremism, meeting terrorist challenges, countering insurgency in parts of the North-East and maintaining communal harmony and effectively dealing with atrocities on scheduled castes and scheduled tribes continue to be our top priorities. There is now evidence of better cooperation and coordination between the Centre and States in fighting terrorism. As I have stated earlier, we have drawn up an Integrated Development Programme for sixty districts affected with left-wing extremism. We are working in partnership with State Governments to provide employment to the tribal youth and to revamp the social and economic infrastructure in these remote areas. We are working for the development of the far flung areas of our vast country in an ecologically sustainable manner. We believe all these efforts will go a long way in strengthening our internal security.

The provisional population totals for Census 2011 have been released recently. While most of the news appears to be good, the falling child sex ratio is

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an indictment of our social values. Improving this ratio is not merely a question of stricter compliance with the existing laws. What is more important is how we view and value the girl child in our society. Our girls and women have done us proud in classrooms, in boardrooms and on the sports field. They have broken existing barriers to prove their worth in almost every sphere. It is a national shame for us that despite this, female foeticide and infanticide continue in many parts of our country. The social bias against women has to be fought with all the physical and moral resources at our command. There has to be a national campaign to counter this bias and I expect civil servants to play a big role in launching a crusade against it.

The need to re-fashion our Civil Services as effective instruments for delivery of services and as agents of improved governance is an ongoing process. The aim should be to evolve new and imaginative solutions for the problems facing us. Success would, to a large extent, depend upon a cultural change in the Civil Services. Excessive caution, reliance on precedents and following the beaten path have to give way to innovation and inventiveness and to trying out new methods. Merit, capability and quality should matter more than mere seniority. To deal with the newer challenges, civil servants also need to continuously update themselves. They have to continuously expand their horizons through learning and training. Only this would equip them to keep pace with the changing times. I hope the deliberations today will also focus on these aspects and attempt to chart a path for such change.

Before concluding, let me once again congratulate the officers who have received the Prime Minister's Award for excellence today. I wish them and other members of the Civil Services all the very best in their efforts to build a modern and prosperous society and country.

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## *Vote of Thanks*

Shri R.C. Misra

*Secretary, Department of Administrative Reforms,  
Public Grievances and Pensions*

**H**on'ble Prime Minister, Minister of State (PMO & PP), Cabinet Secretary, Principal Secretary to the Prime Minister, Secretaries to the Union Government, Chief Secretaries of States, Administrators of Union Territories, Heads of Services, distinguished guests, Winner's of Prime Minister's Awards, Media representatives, participants, ladies and gentlemen.



*Secretary (ARPG) proposing a Vote of Thanks*

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I on behalf of the Department of Administrative Reforms & Public Grievances and the civil services fraternity present here, wish to thank the Prime Minister for gracing this day and sharing his thoughts with us. We are extremely grateful to the Prime Minister for having acceded to our request for inaugurating the event and giving away the Prime Minister's Awards for Excellence in Public Administration. Thank you Sir, for your inspiring words, and encouragement.

We are also grateful to the Minister of State in the Prime Minister's Office and Personnel, Public Grievances & Pensions for his support and constant words of encouragement.

I wish to place on record our sincere gratitude to the Cabinet Secretary for his guidance and leadership. He has been an inspiration to our Department not only for this event but in all our endeavours.

I thank the Principal Secretary to Prime Minister for his unstinted support.

I extend my thanks to the Secretaries to the Government of India, the Chief Secretaries, the Administrators, all the Heads of Services, all our guests and senior officials for their kind presence on this occasion.

We owe special gratitude to the officials of the DAVP, Doordarshan, NIC, CPWD, ITDC, the audio-visual staff, Vigyan Bhavan staff, volunteers and officials who have worked hard to provide the logistic support and to ensure that this day becomes a memorable success.

I would like to thank the officers and staff of my department for all the hard work they have put in for this event.

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Last but not the least, I would like to thank the members of the Media, for covering the event.

A sincere thanks to all of you for joining us on this memorable event.

Thank you.

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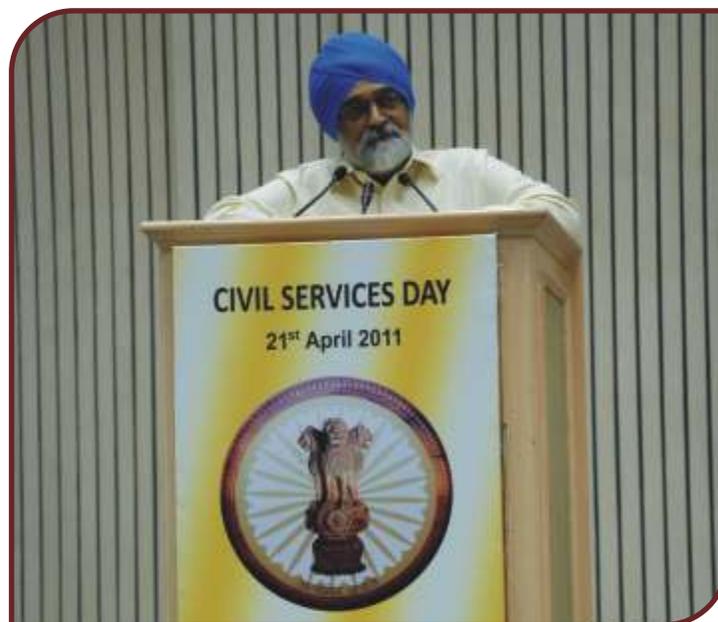
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## *Special Address*

Dr. Montek Singh Ahluwalia  
*Deputy Chairman, Planning Commission*

**C**abinet Secretary, Secretary Administrative Reforms, friends.

Let me just begin on a personal note. It is a great pleasure to be invited here on Civil Services Day. Until very recently I was civil servant proper but I am not part of the twice born service the IAS so I had the privilege of coming in from outside from a very different world getting into the Government. And I do want



*Dr. Montek Singh Ahluwalia delivering his talk*

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to say, this is something just personal I want to say a thing about all the people I worked with. At no stage in my career when I interacted with people did I have any doubt that in terms of the individual quality of the people that we have, the country is actually blessed and I have personal knowledge of that in the sense that I moved then from the World Bank to the Ministry of Finance, resigned from the World Bank there after. I would have gone back and you know one could always think that you did that because you thought you might become Deputy Chairman. I mean even a fool would accept that but the honest truth is I mean I resigned when I was Economic Advisor and there was absolutely no prospect of any particularly rapid promotions on the way and I do think that we have in the country compared to many, many other developing countries a very strong system. I have just come back from Mussorie where I was lecturing at the Lal Bahadur Shastri Academy which actually has become quite a modern place. I was told with great awe, admiration and affection in the academy that thanks to the intervention of the Cabinet Secretary they now have a bar in the academy itself. I thought this was a huge improvement because every room had a bar that was not legal. Now they have an actual bar and so I have a fellow feeling and I mean I really think that there is something to the proposition, its nowadays not fashionable to think of world like steel frame of the administration and all this kind of stuff but the honest truth is, its not possible to get anything done if the team that you have got doing it is not enthused and not involved.

Having said that now I am going to make a series of disconnected remarks. I do not have an address. One reason, I do not have an address by the way is that at 4'o clock today we are having the meeting of full Planning Commission in order to discuss the outlines of an approach to the Twelfth Plan and I have just come from a meeting briefing the Finance Minister on it. So I fear that if I start off by giving a structured address, you will end up getting what I just said to the Finance Minister. I do not think you are particularly interested in what we are doing in the Twelfth Plan and so on so. I want to give a series of disconnected comments which I think must be more appropriate for the occasion. Now one disconnected comment which I think is very important is that something which we have not in my view really realized at liberty is that the

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nature of the job has changed hugely because of changes in the size of the economy, because of changes in the structure of economy but even more because of changes in the role of Government. I mean actually when I joined the Government of India you know the steel was dominantly being produced by the public sector, coal was dominantly being produced by the public sector. Actually all these things were Government monopolies. I mean that world is changed. Actually, private sector has got its own problems but they are not really bothered. They do not have to come too much to the Government except in few areas. The mistake people make, is that they think that this is a policy that has actually reduced the role of Government. I mean this is a policy that has eliminated the role of Government in certain areas where I do not think Government really can add much value but in a way there is hugely increased role of Government in other areas. The size of Government expenditure, whether you look at plan or non plan as a ratio to GDP and if you compare India with let us say developed countries and you know lot of people say that in twenty years or may be twenty five year we will get to per capital incomes which are roughly those of today called the developed countries. The ratio of Government expenditure to GDP is much higher than it is today in India. It will be of a very different kind and therefore the role of Government moves in to the provision of a large number of basic services, other things and much more. Of the quality, the managerial approach bringing in technical knowledge and so on needs to be focused on these sectors and part of the problem I have is that historically, I mean I wonder whether a young IAS officer today, I should have asked these fellows in the academy this question. Are they hoping to become Secretary Industries, Secretary Commerce or are they kind of hoping to have a career in the expanding part of the Government which is really the delivery and management of public services. I have a suspicion that they still regard these ministries as the more attractive ministries to work in. Of course, since I am Finance Ministry person I should say that whatever you do in the Government the role of Finance Ministry is always pre-eminently important. I have no quarrel with somebody wanting to become Finance Secretary. That makes a lot of sense but many of the other ministries we have actually do not exist in other countries. Other countries do not have a Ministry of Chemicals, they do not have

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a Ministry of Fertilizers. We have this multiplicity of ministries. Actually you should have one Industry Ministry. On the other hand, we have one Education Ministry whereas it might make a lot of sense to have a Ministry for Primary Education, a Ministry for Secondary Education and a Ministry for Higher Education. These are completely different activities they just feed-one into the other. So I think what are the things we need to think about when we structure Government. If people are thinking about Government as a service having a big role in the delivery of critical services, then the glamour and the focus and the training and the incentive structure, all the rest of it should be to recognize that these are the important jobs to do.

Let me give you one very simple example. At some meeting I was there I made a point who ever is responsible for water and sewerage in Mumbai. I mean if there was a global conference on the delivery of water and sewerage services, that person would deserve to be on the dais along with 7 or 8 other leading guys running what would be in industry terms a market leader the number of people serviced. In India whoever is responsible for that is probably hoping that with a bit of luck he can become Joint Secretary in the Ministry of Fertilizers and in other countries as a ministry it does not even exist. So I mean how do we change that incentive pattern and by the way this is going to become even more important. India has been slow to urbanize it is well known but let me tell you that China now has about 45% of its population which is urban and India has thirty and India is generally speaking twenty years behind China. We like to say ten but actually those fellows move so fast that we are actually twenty years behind China. So in twenty years time I have no doubt what so ever, our population will be forty plus percent and the number of urban cities that will exist in India will exceed the number of that size in any country other than China. So we will have more cities above whatever it is, ten million than they will exist in any other country. May be even more than the United States because United States has a few big cities but they do not do the same big thing. So I think I do not see any thing which is actually gearing ourselves up either to train our people into these sorts of areas or to create an incentive structure. So I think this

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is one point of view we need to rethink how we deploy resources and also how we basically bring about training.

Second this is an unrelated part of my disconnected remarks. I think we have to have a completely different way in which personnel is handled. In any top class corporation the personnel function is regarded as the most important because that is how you are building up human resources etc. and I wonder why we cannot have a system where people apply for jobs. If you have a Joint Secretary job somewhere why do not we just have an application and then we have a future. I mean for example if the Government feels that you should have been out in the field for number of years before you are eligible, that filter can be applied by the DOPT without any problems. You can have other filters that you must have had certain kind of experiences, otherwise you are not eligible. But having applied those filters we really need to be able to make the postings to Central Government jobs, a competitive process amongst eligible candidates. I mean so, I am now not making the point that we should bring an outside which is my third point that I have come to. I feel that certainly what happens today is that when you have a vacancy there is something called the Central Civil Services Board and then they give you three names. I do not see why we do not interview people. I do not see why people are not freely allowed to apply and actually that process would also reveal which are the jobs that people are interested in. I think we should ask ourselves a question that there are some jobs people are not interested in then may be even we have not made it known that those are interesting jobs or we need to do something about. I think this is again looking ten twenty years ahead.

I feel that young people coming into the civil service will not accept readily a sort of black box way of getting posted somewhere. I think they will want an involvement and the trade off is very clear, there is a bias that comes in when you do the selection. I mean there is no such thing as objective merit so I think the logic of the present system is in order to eliminate subjective bias we are replacing that by a mechanical procedure and at selection system that is non

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transparent. I hope I am not saying things that will persuade you to disappoint me but I really do believe we need to think about this. So this is my second point.

I feel we need to do this much more and I do not think that anything in the Civil Service Rules or anything like that or even the broader civil service objectives really operate against it. I mean in the sense if I was Minister Personnel I would actually propose it. By the way, I think it has been proposed at various times. I think if you put all the reports on administrative reforms on top of each other, they would exceed the height of this table but if you are to make the list of the recommendations that have been accepted which are felt to be substantive, you may not have more than three pages. So there is a big disconnect between the inputs that are going in to administrative reform and output that is coming out. This is one other disconnected point.

Another disconnected point is that I am a beneficiary of the ability to come into Government late. I have to reassure you that I was brain washed like everybody else that nothing could be better than joining the IAS and in St. Stephens College which is my college, in those days, actually if you think about it, it looks quite ridiculous but in those days hundred guys got into the IAS, twenty two of them were from St. Stephens and while the St. Stephens viewed it as a perfectly normal outcome of merit based process in a country of then may be five hundred people. So not surprising that I also wanted to do the same thing. I was lucky I got a scholarship to go abroad. Then there were these new places like the World Bank which were recruiting people. So I said let me do that and you know it obviously was well paid but also there was an attraction of finding out what happens in the world but at the back of my mind and I was very clear that I wanted to come back and you know economists are the only profession who have managed to create lateral entry possibility for themselves and if you are an economist and you wanted to come back in a Government you could always say, there are these jobs of economic advisor and you can apply for those and so on I honestly feel that we need to open up government, normal government jobs to people from out side. It is a one way traffic then people inside clearly feel that look here these are jobs we should have had and how come these fellows are

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getting it. Today we have an absurd rule which says an IAS officer can go away for five years to do study leave. This reflects our historical, cultural respect for education and I know many IAS officers who have somehow managed to translate five into seven, eight, nine whatever. But it speaks well of the system that they are allowed to do that. You can join any UN organization and many do that but you cannot join private sector. I think we have to ask ourselves. In the old days, everybody looked down on the private sector. Not letting people join the private sector there was sort of an act of protection in their own interest. I am not sure that people look down on the private sector but it is doing quite a bit to justify being looked down upon in the whole world, not just in India but I think today people recognize that professionalism is not only in the Government. I mean honestly when I joined the Government of India in 1979 it could probably have been truly said that certainly in economics and I think in many other areas too. 80% of the technical expertise in any subject if not more 80% will be in the Government. Now virtually all of these areas that we have opened up, there is a huge amount of private sector knowledge and many of those things are staffed by people who have gone out from the Government and from the public sector. So I really see no reason why if India is moving to a an economy which has a much large role for the private sector, why it is that critical positions in Government should not be open to people coming in from outside in return for letting civil servants go outside for five years and any notion of conflict of interest can be very- very easily handled and you can define rules and obviously if you go into a particular industry then you do not come back into the related ministry and by the way when you have done that these rules are only necessary for two years or so. So I think this is now a big agenda where we improve the actual skills in the civil service by allowing this two way process. I think to my knowledge virtually every other country this is allowed and indeed even encouraged and I think we are not doing enough of it and we need to do a lot more.

I think those actually are the main unstructured points I have and now let me do a little announcement for the Planning Commission because I see my colleague Syeda Hameed sitting there. She will also bear me out. One of things

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that we are very conscious of as we move towards the Twelfth Plan is that we are not the sole repositories of knowledge. In the past, this used to lead to what I would call a kind of back scratching consultative process that means somebody roughly my age sitting with someone slightly younger who may be the Secretary or whatever will then decide we must set up working groups and steering committees. So naturally we thought of all the people we knew. We put them on working groups and steering committees and it is not very surprising that there was very little fresh input that came in. Basically it was the same group of people who shuffled around. It is totally clear now that there are two groups of people that want to be heard very desperately. When I say desperately I mean very motivatively. One is what we normally called the CSO's (non govt. organization) and I think we are trying to connect with them. Now you know initially these interactions are quite often of a confrontational nature because very often civil society kind of views the government as part of the problem. But it has been my experience that when you sit down and talk to them actually it is perfectly possible to put across your constraints and take their view point and get them to engage I think moderately constructively in what might be common areas of activity and personally I think that if the Government is going to be focusing on things like education and health, maternity, maternal welfare, children's welfare, whole range of these basic human kind of things we have to have a lot more of this sort of interaction and on our part we are trying to do the best we can. Second very important thing is interacting with expertise because civil society is not the same thing. By the way as expertise and I mean in my experience on many of the issues on which civil society has very strong view, it is very possible to get expertise which simply opposes it tooth and nail and not for political reasons and on genuine conviction. The best example, I can think of is Abhay Bhang's work in Gadchiroli correctly and loudly applauded. He and his wife both doctors have managed to bring down the infant mortality rate in Gadchiroli. It is not exactly a developed district, they have brought it down in that area very dramatically almost by half in a very short time and the many things which he does which make it possible but one of the things he does is believe that you can train people who are not trained paramedics with a degree train them. Civil society organization will say that it is a wonderful example of

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how in a constructive way you are using available resources to achieve a demonstrable good result but you talk to a trained doctor. They are totally opposed to it so what do you do? I mean I am just choosing health because health is one of those areas where if we ourselves have to make that decision for a child or a grandchild we would be heavily weighted in favour of the technical expertise. There are other areas which are not of the same kind but you know so CSO's are on the one hand & actually technical experts on the other hand. We get them much more into decision making and you know I do not know what your experience is but I think the culture and Government does not permit actual interaction with technical experts which would basically give them a fair hearing. I mean the usual, the seating plan on the table goes in order of seniority by the Government position you hold and all non-Government people sit at the end of that level. So you could have the most distinguished technical expert imaginable but he would not be seated in a group in a manner that would suggest that actually their view is extremely important. So I think and we are facing this issue when we talk about the Twelfth Plan because on virtually every one of these things what is being prejudged most of the time is the technical nature of the solution and whatever we call the best, technical expertise is actually giving us what is the best technical solution. It is simply not actually true and how we can do that is something which honestly, this is something which everybody in the civil services at their own level can truly ask that question.

I find very often that when I have a meeting the people who actually know are not the senior most people attending the meeting but the rule is that nobody speaks out except the senior most so you are supposed to be a pyramidal structure where it is the Secretary who tells the Minister and let us face it. The general assumption is that if somebody else had something to say then they should have said to the Secretary who would then say to the Minister. I did not realize this because I reached ministerial level. I observed this when I was in Prime-Minister's office, Mr. Rajeev Gandhi's office in the mid 1980's as an Additional Secretary and I had a colleagues who was at the Joint Secretary level and we were reviewing. World Bank had brought out a report saying that

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ONGC is following exploitation practices in Bombay High which are going to damage the reservoir and they do not correspond with what is technically the right thing to do. Mr. Gandhi being technically inclined person saw this report and said I want a full presentation. So my junior colleague Rita Nangia, who now is in the ADB, she made a little note & checked out a lot of things. She was herself a technical sort of person, an energy economist. She said it seems that they are giving some good reasons and seems to be logical and should be examined. So there was a full scale presentation for one hour before the Prime-Minister by the Chairman ONGC and six or seven of the ONGC Board and made a brilliant presentation actually saying that all this is nonsense and frankly there is nothing wrong that is going on. We were also quite impressed. We are not experts, PM said. Well I mean he felt good that you know he had actually consulted etc. and we know by the way that the practices they were following are not optimal. Several years later I met one of the members who was present and I had said to him that well it seems that your presentation was all wrong. I mean that there were problems in what you were doing. He said 'Isme Kya' I know that, we know that. So I said what the hell were you doing sitting in the room and listening to the presentation you knew was not correct. No! No! it is a hierarchical thing. You can not speak up if you are in the room if you do not agree with the presentation. Now the real issue is it does not matter what happens then. I think that senior people had better think very hard and I am not talking about Minister. I am saying this of Secretary and I am saying that of Joint Secretary. They better think very hard that they are the recipient of a filtered system of information and in all probability they are not getting the full information that is available with their own human resources. I mean it will be different matter if one came to the conclusion that Oh! Government is not knowledgeable, Government does not have expertise. That is not true.

I think we have a system that ensures that expertise that is available will only get what the system wants you to get. It is a serious problem and this was driven home to me by a friend who was with me in college and University and later on became Secretary of Defense or Secretary of Navy in the US. We were both in college. We met sometimes later. This was in nineties and I said so what is

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going on and he said Oh! Lots of things world is changing so much. He said that what we are doing is we have commissioned consultline group to do an analysis for us. He said your e-mails break hierarchy because people can send of e-mails and copy them to their seniors and the US Navy decided that it utterly undermined the basic military notion of hierarchical authority. If you are actually in a war situation, you cannot have everybody second guessing what the orders are but from that to say that you know that you need a hierarchical system in peace time is an incorrect statement. I have seen research work done in the University of Stanford looking at productivity and this is some thing. I mean all of us in our daily life have to think about and this was done by a professor lady who really did very interesting work in management. She was looking at steel productivity across countries. She constructed an index of hierarchical communication as opposed to the scope for non-hierarchical communication and her finding was university. Now how good this index is one has to look at. She found that universally wherever the proportion of non-hierarchical flow was high, productivity was high. Now this to my mind utterly undermines the system of files which starts with I have not met some body who is actually, we usually describe as the dealing hand. That is where the file really begins and then it makes its way upward.

Lot of very relevant things about our administration can be found in biographies of Lord Curzon. And Lord Curzon had this habit; he was very puzzled that you know. He got something where noting was right approved or just signed and that will be deemed to be approved. The fellow was know to have intellectual pretensions of one kind or the other. We tend to read the files. In those days files were not typed. They were all hand written and not every hand writing was good and there is one wonderful reference where Curzon says on page 240 M, he says I have apprised this file from page 220 M and on the whole I am inclined to agree with the gentleman whose signature resembles a Trumbo. In other words he had looked at different people's view points and found himself agreeing with one fellow. He was not the fellow who was immediately prior to when the file got marked to Curzon. I think what this really tells you that the dynamics of decision making in a meeting is very different from the

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dynamics of decision making in a file. So my last point is that whenever and all possible for you, abolish movements of files, call a meeting, record a view and allow people who wish to descend from that view to descend. Other- wise we have these ridiculous systems. Only people who benefit from files in my view are the auditors and because the only question that can be unambiguously said to have been decided in a proper manner is where the junior most official who started with the file came to the right conclusion right at the beginning and everybody simply endorsed whatever he said. Anything that involves rethinking and senior people using there seniority to disagree with junior people is actually a time bomb and means any system that does that has to be just fundamentally wrong. By the way a British friend of mine who got into the British Civil Services, said they have abolished this system in Britain completely now since we inherited it from Lord Curzon. I think it us about time that we also change the administrative system to bring about these elementary bits of modernization. Well, thank you this is meant to be a celebration. I have given you too long a lecture. The only advantage is that this is just a series of anecdotes that I are sharing with all of you.

Thank you.

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## Panel Discussion - I

### BACKGROUND PAPER

# *Transparency & Ethics in Governance*

- Knowledge Partner: KPMG Advisory Services Pvt. Ltd.
- Coordinator: Ms. Mamta Kundra, IA & AS
- Panelists:
1. Shri V. Narayanasamy,  
MoS (PMO & PP, Parliamentary Affairs)
  2. Shri Satyananda Mishra,  
Chief Information Commissioner
  3. Shri Shekhar Singh,  
Head, National Campaign for  
People's Right to Information
  4. Ms. Aruna Roy,  
Member, National Advisory Council



*Panel Discussion in Progress*

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## Context

“*In our efforts to strengthen the contributions of States, civil society, the private sector, and international institutions to advancing a vision of larger freedom, we must ensure that all involved assume their responsibilities to turn good words into good deeds. We therefore need new mechanisms to ensure accountability – the accountability of States to their citizens, of States to each other, of international institutions to their members and of the present generation to the future generations. Where there is accountability, we will progress; where there is none, we will under-perform.*”

– Kofi A. Annan, Former Secretary-General of the United Nations

What is meant by “Good Governance”? This particular question cannot be answered without invoking a more basic question- What is “Governance”? The World Bank, for instance, has defined governance to be, particularly, the traditions and the institutions by which authority is exercised in a country. This includes

- (i) the process by which governments are selected, monitored and replaced;
- (ii) the capacity of the government to effectively formulate and implement sound policies, and
- (iii) the respect of the citizens and the state for the institutions that govern economic and social communications among them.

This definition is also applicable in the Indian context. India’s political leadership, policy makers and business brains have a strong desire to make the country an economic super power in the 21<sup>st</sup> century. The world is looking at

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India with a new found respect and considers India as an ideal economic growth model. But corruption in the country continues to be a major concern. A 2005 study done by Transparency International (TI) in India found that more than 15% of Indian citizens had first-hand experience of paying bribe or peddling influence to get any type of job done in a public office. Taxes and bribes are a daily fact of life, common between state borders; Transparency International estimates that truckers pay annually US\$5 billion in bribes. For 2010, India was ranked 87<sup>th</sup> of 178 countries in Transparency International's Corruption Perceptions Index<sup>1</sup>. As of 2010, India is the ninth-most corrupt country in the world, with about 54% of Indians paying a bribe in the past year, according to a global survey by TI.

## Introduction

Corruption, it is said, thrives in the dark. By contrast, "Sunlight is the best disinfectant" - as noted Justice Brandeis in one of the most quoted utterances of any US Supreme Court judge. Any campaign to counter corruption can usefully start with efforts to minimise the extent and depths of the shadows within officialdom. Information is a key factor to ensure efficient and effective public services. It not only empowers the people to exert demand for better services, it also empowers the service providers to benchmark and make efforts to provide better services.

Roughly since the end of the Cold War, governments have had to modify the ways in which they have traditionally operated and defined their role within society. The causes of this phenomenon are multiple and include market liberalisation, globalisation, democratization, and the spread of information

### Factors driving change in methods of government operations

- Market Liberalisation
- Globalisation
- Proliferation of Information & Communication Technologies

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and communication technologies. Each of these processes has accelerated the rate of change within and between societies, increasing inter-dependence between people and entities. As a result, the spheres of activity and interest of government, civil society, and the private sector have increasingly come to overlap. Within this new governance paradigm, the role of government has had to become more transparent and participatory in order to work cooperatively with civil society and the private sector.

The concepts of *integrity*, *transparency* and *accountability* have been identified by the UN countries, collectively and individually, as part of the founding principles of public administration<sup>2</sup>. As such, these principles need to be espoused and seen to be practiced by the leadership within the UN System and in all member countries. In public administration, *integrity* refers to “honesty” or “trustworthiness” in the discharge of official duties, serving as an antithesis to “corruption” or “the abuse of office.” *Transparency* refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector. *Accountability* refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives.

At an abstract level, these principles are co-dependent. Integrity, by requiring that public interest be paramount, provides the basis for transparency and accountability. Transparency without accountability becomes meaningless and makes a mockery of sound public administration.

**INTEGRITY: Honesty in the discharge of official duties**

**TRANSPARENCY: Unfettered public access to timely and reliable information about government functioning**

**ACCOUNTABILITY: Obligation to report use of public resources by public officials**

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Accountability depends on transparency or having the necessary information. And transparency and accountability without integrity may not end up serving the public interest.

## History of Transparency Movements

Broadly speaking, there have been three distinct phases in the global movement against corruption, starting from the late 1980s when mass mobilisations in countries as diverse as the Philippines, Bangladesh, China, Brazil, and Venezuela demonstrated that many people throughout the world were no longer prepared to tolerate corrupt leaders<sup>3</sup>. A decade-long phase of awareness-raising and the “breaking of taboos” followed, so that by the end of the 1990s, development agencies, international organisations, and many governments were no longer in denial, and countries were now expected to address corruption openly and systematically in their funded programmes.

The second phase was one of standard setting and convention-making. Starting in the mid-1990s with the Inter-American Convention Against Corruption (1996) and the development of the OECD Convention Against the Bribery of Foreign Public Officials in International Business Transactions (1997), and continuing with the Council of Europe’s Criminal and Civil Conventions (1999), the phase culminated in the signing of the UN Convention Against Corruption in Mexico in December 2003.

The third and current phase is by far the most challenging: that of implementation and enforcement of these standards. A number of governments have embarked on this third phase and many are finding the path extremely difficult. The answers are proving to be elusive. Reforms are being attempted in the face of myriad obstacles. The situation in each country is to a greater or lesser degree unique, and there seem to be no “off the shelf” solutions.

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Containing corruption is not a mere matter of drafting the right laws; in many countries, for diverse reasons, legal systems are not functioning reliably. Nor is it primarily a matter of establishing a major anti-corruption agency with draconian powers. Rather it is the challenge of making containing corruption the business of every manager within public service and of forging an ethic of “public service for the public”.

In this, governments face formidable impediments. Not only there may be systemic corruption within their own institutions, but corrupt practices appear to be multiplying beyond the public sector and across society at large: in a private sector prepared to bribe for business and to lobby against necessary reforms, in the privately-owned media, internet scams abound and confer bogus qualifications, job-seekers forge doctors’ curricula vitae, and even on the sports field, the concept of “the best person winning” is called into question.

#### TRANSPARENCY MOVEMENT PHASES

##### PHASE 1. (1990s)

- Mass public mobilisation
- Awareness raising
- Acceptance of the problem

##### PHASE 2. (Mid 1990s to Mid-2000s)

- Setting standards
- Making conventions
- UN Convention against corruption

##### PHASE 3. (O n-going)

- Implementation of standards
- Undertaking reforms
- Monitoring the progress

## Methods to Promote Ethics and Transparency

### International Standards

In 1996, the United Nations promulgated an International Code of Conduct for Public Officials (Resolution 51/59: Action Against Corruption

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adopted by the General Assembly on 12 December 1996), which was recommended to Member States as a tool for guiding their efforts against corruption. Earlier, in an effort to hold its public servants to such standards, the United Kingdom had in 1994 introduced a broad code of behaviour for those in public life. This document is also known as the Seven Principles of Public Life, or more commonly as the Nolan Principles.<sup>4</sup>

### Codes of Conduct

Codes of conduct – for ministers, legislators, civil and Foreign Service officers, the judiciary, and local government – can assist countries in putting these principles to work. Similarly, citizens’ charters can compel government agencies to provide certain levels of service to citizens and to solicit complaints if these levels are not met. Guatemala is among the countries that have instituted codes of conduct for ministers and permanent secretaries. Both South Africa and the United Kingdom have taken a lead in addressing the needs of local government.

#### NOLAN PRINCIPLES

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

### Citizens’ Charters

A comparatively recent innovation in a number of countries has been the introduction of “Citizen’s Charters.” These are intended to improve public sector accountability as well as service delivery. In India, Citizen’s Charters are being used to tackle low-level corruption by providing citizens with access to information about services where bribes are often levied. The Charters describe the services that the government will provide, the time frame for each service, the government officer who should be contacted, and a remedy should the service not be provided.

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## Ethics Officers

In the wake of the Watergate scandal, the United States created the Office of Government Ethics (OGE) in 1978.<sup>5</sup> The OGE provides policy leadership and direction for the executive branch of the government's ethics programme. The system is decentralised, with each department or agency having responsibility for the management of its own ethics program.

The OGE issues Standards of Ethical Conduct for Employees of the Executive Branch, a document that applies to all officers and employees of executive branch agencies and departments. These contain specific standards that provide detailed guidance in a number of areas: gifts from outside sources, gifts between employees, conflicting financial interests, impartiality, misuse of position, and outside activities. The rules are enforced through the government's normal disciplinary process.

## Open Public Procurement

The procurement of goods and services by public bodies amounts on average to between 15 and 25 per cent of a country's Gross Domestic Product (GDP) and in some countries even more. It is no surprise that there is a great temptation for many players to manipulate the processes for their own private benefit by extorting money and other favours from bidders, bribing purchasing agents, and giving contracts to friends and relations. Whether corruption in public contracting is really the most common form of public corruption may be questionable, but without doubt it is alarmingly pervasive. It is almost certainly the most publicised and arguably the most damaging form of corruption affecting the public welfare. It has been the cause of countless dismissals of senior officials, the imprisonment of former presidents, and even the collapse of entire governments.

Corruption in procurement is sometimes thought to be a phenomenon found only in countries with weak governments and poorly paid staff. Yet

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highly developed countries with long traditions of democratic accountability have amply demonstrated in recent years that corrupt procurement practices can become an integral part of the way in which they, too, do business.

Civil society has responded by monitoring what it can, but with profits being made on both sides of the corruption equation, the cloak of secrecy is hard to pierce. A possible approach is Transparency International's "Integrity Pact" under which all the parties to a tender agree in advance that there will be no bribery, and civil society provides oversight to assure the integrity of the process. It is designed:

- i. to enable companies to abstain from bribing by providing assurances to them that their competitors will also refrain from bribing;
- ii. for government agencies to undertake to prevent corruption, including extortion, by their officials and to follow transparent procedures; and
- iii. to enable governments to reduce the high cost of corruption on public procurement, privatisation, and licensing.

#### Declarations of Assets

Although forms providing for the disclosure of assets and income are unlikely to be accurately completed by those who are taking bribes, the requirement that they formally record their financial positions can lay an important building block for any subsequent prosecution. It would, for example, preclude them from suggesting that any later wealth that had not been disclosed was, in fact, acquired legitimately.

South Africa has introduced a scheme for the monitoring of all parliamentarians (including Ministers). A compromise was reached in an effort

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to meet legitimate claims to privacy. Certain disclosures are made openly and publicly; some are made as to the substance of the interest, but the actual value is disclosed privately, and the interests of family members are disclosed, but in confidence. The argument for the last is that members of a parliamentarian's family have a right to privacy, and it should be sufficient for the disclosure to be made on the record, but not on the public record.

- TOOLS TO PROMOTE INTEGRITY**
- Standards
  - Code of Conduct
  - Citizen Charter
  - Ethics Officers
  - Open Procurement
  - Asset Declaration
  - Parliament
  - Media

## Parliaments

A legislature has a crucial role to play in any integrity system, as the watchdog for the people as to how the executive is spending their money. The Supreme Audit Institution frequently reports to the legislature or to a Public Accounts Committee (where best practice suggests that the Chair should not come from the governing party). In addition, the legislature usually has a role to play in the approval or otherwise of significant public appointments proposed by the executive. As expected, arrangements in the new democracies have taken some time to settle down, and in a number of these there has been open competition for power between the legislature and the presidency. Promising signs are that the spectre of the overly-dominant presidency is being confronted successfully, and several countries have been moving to distribute power more rationally and more effectively between the executive and the legislature.

## Media

The media have an important role to play in promoting good governance. Their role should not be seen as limited to identifying and exposing corruption, but should also recognise and capitalise on their role as a source of truth. They have an important role to play in reinforcing and building momentum for change by recognising good practice and highlighting successes in achieving development objectives. Like non-governmental organizations, however, their

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credibility may be undermined by unprofessional conduct that leads to questions regarding their bias.

### Public Sector Transparency in India

It is commonly recognized that corruption, which has become a universal phenomenon, unless kept in check, can undermine the finest of systems. The general perception amongst people today is that the lack of political accountability – its criminalisation, bureaucratic apathy and systemic weaknesses in corruption/grievance redressal machinery are the most important reasons for sustaining corruption in the country. The existing anti-corruption institutions are not allowed full autonomy; lacking real teeth and powers, and not having the strength of officers with impeccable integrity. Besides, these institutions face problems with regard to paucity of staff and non-filling up of the vacancies, etc.

Improving governance is a part of a development process. It is argued that corruption can be curbed by systematic changes in governance through introducing participation, transparency, accountability and probity in administration. The right to good governance is also considered as an essential part of the citizen's rights that one can expect from the government. Accordingly, a number of initiatives have been taken by the government to incorporate citizen's concerns as inputs in the formulation of policy as well as in the quality and reliability of services.

Some of the key initiatives that have been taken by the Central and State Governments in India include Citizens' Charters, Right to Information, e-Governance, Report Cards and Social Audits. Besides, each department have now developed its public grievance redress mechanism by appointing a senior officer as Director of Grievances' with the powers to call for files/papers relating to grievance. The public can approach him/her for the redress of its grievances.

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## The Right to Information Act, 2005

The Right to Information Act empowers the common man to know his entitlement to avail of a particular public service, and get his grievance redressed. It also includes the 'Right to be Heard and Consumer Education', i.e., educating the consumer about his rights. It is based on the rationale of "participatory, transparent and accountable governance". Under the Right to Information Act, public servants can also be questioned on their conduct and, thus, made accountable.

While this Act helps many individuals to sort out personal grievances, its larger potential lies in bringing about systemic change. Such change is only possible when a particular question establishes its links with a collective and becomes part of a larger democratic process. With the coming into effect of the national law, we can expect to see more of this new kind of democratic activism.

An example of this relates to water privatization in Delhi.<sup>6</sup> In the year 2006, Parivartan, the resettlement colony based citizens' organization, applied for information on the water reforms, presently being undertaken by the Delhi Jal Board. One particular initial question led to accessing copies of 4000 pages of documents that exposed the role of World Bank in blatantly pressurizing the Delhi Government to privatize the management of drinking water distribution. Eventually, the Delhi Government and the World Bank had to withdraw their plan, under intense pressure from the citizens' group. The government was forced to acknowledge that a process of public consultation had not taken place, and that in fact the citizens of Delhi were opposed to the water privatisation being brought in for them. People demanded the use of the RTI to make the government-run Delhi Jal Board more efficient and accountable, instead of handing over control to multinational managers and companies.

As illustrated by this example, RTI cannot exist as a stand alone unit, but has to link with an issue or a campaign. This cross-cutting alliance also

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establishes the nature of the right: it is a democratic and constitutional right for all struggles against injustice and inequality. Another instance relates to the use of this Act by civil liberties and human rights activists – a women’s movement in Rajasthan used RTI to track the progress on cases of atrocities against women, demanding that the concerned women be informed of the progress on their cases and the contents of various important medico-legal and forensic reports.

With the placing of more such collective issues in the public domain, more citizens are viewing the Right to Information Act as a means of building public opinion to influence decision making, thus making democratic structures more accountable. The Right to Information Act has not only helped to fight against arbitrary governance and corruption, but have also helped campaigns with a proactive agenda of social change and alternative development.

### Social Audit System

The formulation of the Social Audit System has put the onus on the government to be more accountable in its duties and services. A case in point is the Social Audit System adopted for the Mahatma Gandhi National Rural Employment Guarantee Act. There is an increasing demand from various quarters for having social audit for other national and state-level programs as well.

### Community Based Monitoring

Community-based monitoring is gaining ground in the Indian scenario and is proving to be an effective method for ensuring greater transparency by pressurizing the government to perform its duties efficiently. For instance, in Maharashtra, the National Rural Health Mission has appointed several reputed Non-Government Organizations that continuously monitor the performance of the governmental functionaries such as District Health Officer, Taluka Health Officer and Medical Officers across all the three-levels, viz. district, taluka and village.

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## e-Governance

Electronic governance is meant to ensure better transparency and services to the public. It disseminates information through an efficient, speedy and transparent process to the public and other agencies, and performs government administration activities. e-Governance can effectively be introduced through -

1. Computerization of all the public dealing departments, including the Police, Judiciary, Transport, and registration of properties.
2. Introduction of e-Procurement in all public procurements and contracts.
3. Introduction of 'Touch Screen System' showing pictures to avail particular service.
4. Strengthening the infrastructure of e-governance and enhancing the awareness about e-Governance.

## Success Stories

### Case Information System for Delhi High Court

The COURTIS (Court Information System) Division and NIC (National Informatics Centre) undertook the project in January 2006 to facilitate the case management system of the Delhi High Court with the aim of bringing more transparency, accountability and information access through computerization of the whole case information system of the court.

It is set up to facilitate the day to day requirements of the people seeking information about the precedents and the

#### FEATURES OF COURTIS

- All forms for daily Court available at one place
- Increased accountability of judicial procedures
- All forms to support lawyers in contestations for cases found in one location

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case laws and also provide information through the use of technology, about the way courts function and interact with the litigants, lawyers, judges and administrators.

## PROOF: Public Records of Operations and Finance

Started in 2002 by a coalition of community service organisations, led by Janaagraha, PROOF campaigned for public financial disclosure. Since its launch, it has informed a nationwide disclosure policy and has helped to institutionalise service benchmarking at the local level.

At the broadest level, PROOF aims to ensure social justice. Three goals are stepping stones to this outcome: first, PROOF aims to empower citizens through public finance education and engagement in government financial disclosure processes.

Second, PROOF looks to improve urban governance through financial transparency paired with first-hand citizen participation. Third, it attempts to enhance government accountability through the assessment of public service delivery with standardised benchmarking.

### KEY RESPONSIBILITIES OF PROOF

- Increase transparency and improved accountability
- Assess public service delivery in urban areas through service level benchmarks
- Public finance education and training for citizens

## Looking Towards the Future

Given the trends and developments described above, the issues that are emerging—that is, apart from the perennial ones—can be categorized by developed countries, developing countries and all countries:

For developed countries, demonstrating the effectiveness of public administration integrity programmes and accountability measures, through measurement is becoming a priority. This preoccupation is spawning a

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comparison of methodologies, more rigorous definitions of desired outcomes and cost-effectiveness of programme components. Next, given that countering terrorism seems high on the public agenda and many security functions are now being provided by private agents, integrity and accountability of the security sector must also come under scrutiny. Moreover, the recent calls for better accountability measures in overseas aid have become more vocal in the current international relief efforts of tsunami disasters in South Asia.

#### EMERGING ISSUES

##### For Developed Countries

- Demonstration of efficiency through measurement
- Assurance about integrity of private sector agencies working with governments

##### For Developing Countries

- Targeted programs on ethics and integrity
- Institutional capability building
- Greater citizen access to information
- Strengthening the press and media

For developing countries, introducing targeted integrity programmes within public administrations are still relatively new and seen to be an important complement to enforcement activities. In terms of building institutional capacity for those agencies overseeing integrity and accountability (e.g. anti-corruption, external audit, investigative, etc.), a better definition of and strengthening their “independence” is necessary. Also, a more fundamental issue of whether it is more effective to create more institutions to reduce corruption or reduce corruption in more institutions must be considered.

In addition, increasing citizen access to information about government programmes, activities and performance and informing citizens of their rights and responsibilities (e.g. civic education), creates or reinforces their “watchdog” function, a function which may be foreign or has been weakened in many countries. An important component of this function is involving more and better training the press to report on integrity and accountability of public sector entities.

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In the context of India, some of the possible steps that can be taken to promote transparency and ethical conduct of public affairs are envisaged as follows:

1. At the Central Level

- Implementation of a simple and uniform legal framework that governs the rights and obligations of public officials and elected representatives
- Existence of monitoring and management systems within the framework of local self-government
- Active involvement of citizens in public controls of work performed by local level institutions

2. At the Municipality level

- Adoption of a policy of zero tolerance on corruption
- Introduction of a code of ethics and an ethics officer
- Supplementation of the anti-corruption policy by performance management systems
- Establishment of an Internal Audit System to advise on the soundness of systems, processes and procedures and publish an Annual Internal Audit Report highlighting both improvements made and risks involved
- Development of a training policy and training programmes that aims at reinforcement of compliance with the rules governing the rights and duties of public officials

3. At the local Government Associations level

- Establishment of an Ethics Commission to promote ethical local government, oversee specific programmes and act as a mediator in disputes on unethical behaviour.

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- Capacity building to support municipalities in order to deliver good local governance through such programmes, performance management system, best practice exchange, models and consultancy services.
  - Promotion and facilitation of participation of local authorities in international benchmarking and sharing of best practice projects on good governance, ethics and transparency at the local level.

## Conclusion

Fighting corruption is not only an end in itself. It is of fundamental value in all government reform, which may require changes to legal and policy frameworks for the control and expenditure of public monies and improved procurement practices. It also requires attention to inculcating public service values throughout the institution through education, training and enforcement. Over two thousand years ago, Kautilya in his *Arthashastra* identified forty ways in which government servants can enrich themselves improperly either by cheating the government or exploiting the public. The following statement by Kautilya, probably, best emphasizes the importance of the common citizens: “It is the people who constitute a kingdom; like a barren cow, a kingdom without people yields nothing”.<sup>7</sup>

This perspective holds true even in this era. The object of good governance and public services is the public and its welfare. As long as this perspective is kept this in mind, justice would be done to the jobs of the public servants and administrators and to India’s Constitution, too.

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### Summary of Discussion

### Transparency & Ethics in Governance

Civil Service Day 2011 21 April 2011

**Panelists**  
Shri V. Narayanasamy  
Shri Satyananda Mishra  
Shri Shekhar Singh  
Ms. Aruna Roy

**Co-ordinator**  
Ms. Mamta Kundra

### Backdrop for Discussion

- 1. How transparency in governance be built into the system and the same be visibly demonstrated?*
- 2. Existing mechanism / Institutions: No bite or implementation lacunae?*
- 3. Can resolution / conclusion time benchmarks be enforced for cases involving breach of prescribed code of conduct?*
- 4. Whistleblower: Legitimacy & Encouragement?*
- 5. Unique socio-political scenario demands tailor-made solutions or good enough to sign an international convention?*

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### Key Discussion Points

- *Training in Ethics*
  - *Whistleblower protection including govt. servant*
  - *Transparency in Procurement*
  - *Reward and recognition for deserving*
  - *Punishment for the corrupt officials*
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### Key Discussion Points

- *Security of Tenure & Postings*
  - *Social Audits*
  - *Public participation during pre-legislative stage*
  - *Proactive disclosure of information by govt. departments*
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## Recommendations

*Basket of measures required for fair and just system for  
Transparency & Ethics in Governance*

- *Proactive disclosure of information*
- *Judicial Accountability Bill to be made more effective and answerable*
- *Transparency in Procurement at all levels*
- *Specialized grievance redressal commissions required to be setup*
- *System needs to be at rural level*

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## Recommendations

- *Whistleblower Protection Act*
- *Institutionalizing Social Audits*
- *Systemic corrections rather than resolving individual grievances under RTI*
- *Generating wider public debate in policy making: Pre-legislative process to be made more transparent and inclusive*

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### Areas for strengthening

- *CVC needs to be provided more investigative powers*
  - *Public delivery systems to be monitored more closely*
  - *Departmental disciplinary process to be completed within prescribed time-frame*
  - *Trainings to have enhanced focus on Ethics and Mindset changes*
  - *Information commissioners to be augmented at State and Centre*
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### To Begin with

*2<sup>nd</sup> ARC report*

*on*

*Ethics and Governance*

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## Panel Discussion - II

### BACKGROUND PAPER

# *Improvement of Public Service Delivery Systems: Challenge of the hour*

- Knowledge Partner: Pricewaterhouse Coopers Private Limited
- Coordinator: Mr. Shashank Priya, IRS (C & CE)
- Panelists:
1. Prof. K.V. Thomas, MoS (Consumer Affairs, Food & Public Distribution)
  2. Shri Jyotiraditya Madhavrao Scindia, MoS (Commerce & Industry)
  3. Ms. Syeda Saiyidain Hameed, Member Planning Commission
  4. Shri S. Gopalakrishnan, CEO & MD, Infosys Technologies Ltd.



*Panel Discussion in Progress*

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## Improvement in Public Service Delivery Systems: Challenge of the hour

**T**he three pillars of Democracy- Legislature, Executive and Judiciary have been created to ensure that the constitutional provisions are followed in letter and spirit. Though their independence has been created through various provisions of the constitution, they work hand in hand to provide quality public service to the citizens. While the legislature enacts relevant Acts and amendments to create Public Service Delivery systems, the Executive is mostly responsible for the effective implementation of the same. In case any grievances and complaints arise in the execution and delivery of public services- it is the judicial processes that stand to resolve it. However, in the overall picture it is the Executive machinery that is face to face with the public towards effective delivery of public services, in the policy framework created by the Legislature.

It is relevant to understand the evolution of the concept of Public Service Delivery in India. The public administrative system in India has a long history. Kingdoms existed in India since several hundred years B.C. In the earlier era the civil servants performed the role of servants of the king. (Kautilya's Arthshastra describes the civil service of those days and lays down various norms that guided the system from the years around 300 B.C. upto 1000 A.D). During the medieval period Civil Servants became State servants. The land revenue system was established during the Moghul period. The East India Company had a civil service to carry out their commercial functions. During the British rule they started as servants to the Crown, but gradually they started becoming 'Public Servants'. The British government set up the Indian Civil Service (ICS), primarily with the objective of strengthening the British administration in the UK. In this period the role of the civil services was to further the British interest and the role was totally regulatory. Later on they assumed development roles also. After the coming into force of the Constitution, the public services as we see today came into being.

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Evidently, for most of the time of over 2000 years, the bureaucracy was perceived as the layer of power, immediately below the supreme power of the land. They were the '*Mai- Baap*' and the concept of public service i.e. responsibility towards public welfare was only transient during the reigns of some benevolent kings. However, post Independence when a democracy was set up in India- it was this mind set of the administration that the creators of our Constitution tried to guard us from. The Civil Services that were to deliver the public services were created based on recruitment based on merit, which was done by Constitutional Authorities-the Public Service Commissions. They had Constitutional protection, Political neutrality, Permanency and Anonymity to ensure an unbiased, independent and profession public service.

The administrative structure of Government of India has the roles of the various Ministries defined as per the Rules of Business. Each Ministry has its Minister, Secretary, Additional Secretary and Joint Secretary and a similar set up exist at the State level. Further down, districts are carved out as unit of administration on an average with a population of about 2 million. The Head of the Administration is the District Collector (District Magistrate) for the regulatory administration while there are developmental functions also for the Member of Parliament Local Area Development (MPLAD) and other Central Government Schemes.

Local Self Governments in the Urban Areas like the Corporations and Municipal Committees were also created. All these are elected bodies and the administration is carried out by an appointed Chief Executive who is answerable to the elected bodies. Their main role is to provide civic amenities to the citizens and their main source of revenue is local tax, and funds received from the State Government.

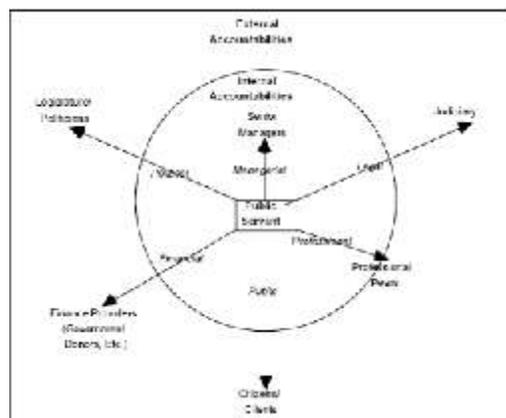
In the rural areas, a three tier Panchayat System which is the Local Self Government was created with the Zilla Parishad at the District level, Block Panchayat at the block level and the Village Panchayat at the village level. The selection of the works to be implemented was to be decided by the Gram Sabha,

constituting of all the adult members of a village, in a public meeting. The main role of these three tier organizations is to function as a local self government. They provide civic amenities and carry out developmental works and they can levy some taxes.

Unlike the corporate sector which is operating in the market and provides some services to the public for a profit, the Government Ministries frequently are working for a non profit motive. There are a few Ministries which work for the revenue generation to meet the budgetary requirements of other departments.

However, while the Corporate Manager is accountable to his superiors, management and the shareholders and the focus on 'bottom line' is never lost, the Government public servants have an assured permanent job profile. Even in crises situation, the action is mostly limited to a transfer for a short duration on a 'punishment posting'. This has often led to the question of transparency and accountability in the operations of Public Service Delivery agencies in India. Theoretically, the administration is the part of the political executive- making the civil servants answerable to the politician for policy implementation. However, this also has been questioned and cited as the defect in the system wherein the bureaucracy has been seen to have become subservient to the political masters.

Figure 1: Accountabilities in the Public



Source: Heeks (1998)

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The diagram above illustrates the five types of accountability viz. managerial, financial, public, judicial and professional. While the system worked successfully to a major extent in financial accountability, few instances of financial irregularities were noticed in Audits or otherwise. Unfortunately, more instances of financial irregularities in Government operations are cropping up in recent times. Similarly, the Government became a perpetual party to the court cases and contributed significantly to the increased burden of cases on the courts and the expenditure related to those cases.

The Professional or peer pressure has been witnessed in a few instances when Government officers were voted as the 'Most Corrupt' officers within the bureaucracy in a few states; however, these had no legal implications for any individual.

The actions of a few government staff in the field, especially in rural and remote areas where public awareness about Government programmes is less, were being seen as oriented to personal gains. This meant that there were pockets of underdevelopment that remained in the country as decades lapsed after independence. The motive behind the Panchayat Reforms was to empower the citizens and pass on the power of taking decisions to the public itself. The idea of selection of schemes and beneficiaries through a Gram Sabha meeting was to overcome the dependency on executive machinery which was not accountable to an electorate and had become too permanent to be touched despite continued gaps in public service delivery.

What caused the public delivery systems to not fully meet the required results of service delivery?

- Firstly, quite often the separation between the policy and administration fades and they become too closely associated
- Secondly, the decision making does not always conform to the rules of technical and economic rationality but are often decided by conflicts and vote bank politics

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- ‘Top Down’ implementation, hierarchy and centralization in bureaucracy causes delay, inflexibility and an arrogant disregard for the citizens’ interest creating inappropriate policies and inadequate results

In the post liberalization scenario, as a large number of IT personnel went abroad and saw the International public delivery systems, a clamouring began in India for the:

- Government to release some of its functions as service provider to the corporate and take the steering or enabling role. As an oft quoted example of this type, Telecom sector saw a sudden revolution with call rates coming down from Rs 16-18 per minute to less than a rupee in less than a decade.
- Government to reorient its functioning to the needs of the citizens rather than the interest of the organizations and bureaucracy
- Government to show concern for the results rather than the process and procedures alone (Red tapes), with examples of bureaucratic delays being quoted during Kargil war.

In the recent years, there has been much discussion of relatively weaker institutions of governance in the developing countries like India. However, it has to be looked into as to how institutional changes can be brought for better and how new institutions can be made to work. There are instances of good public ethos and strong tradition of public service provision in vibrant democracies across the world- through the public sector or by the market. However, in the developing countries where such institutions are not home grown and are externally imposed, they may not be fully assimilated.

India despite gradually developing public service delivery institutions in general has demonstrated excellent case studies, across sectors, of successful initiatives. Some of these include Delhi Metro Project under DMRC, MCA 21 for

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Company registration and other services (e-Governance under PPP Model), ITC's e-Choupal (a private sector initiative), East-West- North-South Corridor and Golden Quadrilateral Projects of NHAI under PPP Model, Amul (Dairy Cooperative Movement in Gujarat) and Pani Panchayat in Rajasthan. Clearly the above do not fall within any one model of public service delivery and as such show the fallacy of sticking rigorously to only one such approach. In this paper, at all the stage and it is maintained that public service delivery is neither a monopoly nor a prerogative of any one organ- it is a participatory approach of different agencies that could create a model setup.

At this stage, however, it may not be incorrect to accept that in India systemic accountability within organization and to outside stakeholders is low, transparency is lacking in both Government and business organizations, judiciary is overburdened (if not weak for the same reason), civil society institutions are establishing themselves and access to information is been attempted (through Right to Information Act) and inequalities between the rich and poor are still wide.

While the issue of public service delivery can be approached from various perspectives, it is the most basic one i.e. availability of the basic and essential public services that we touch upon here. Let us understand the public service delivery related issues in a few key services required by an 'Aam Aadmi' of India.

## 1. Healthcare Services Delivery

India has traditionally been a rural, agrarian economy, with over three-quarter of the population still living in the rural areas and over 37% of its population lives below the national poverty<sup>1</sup> line.

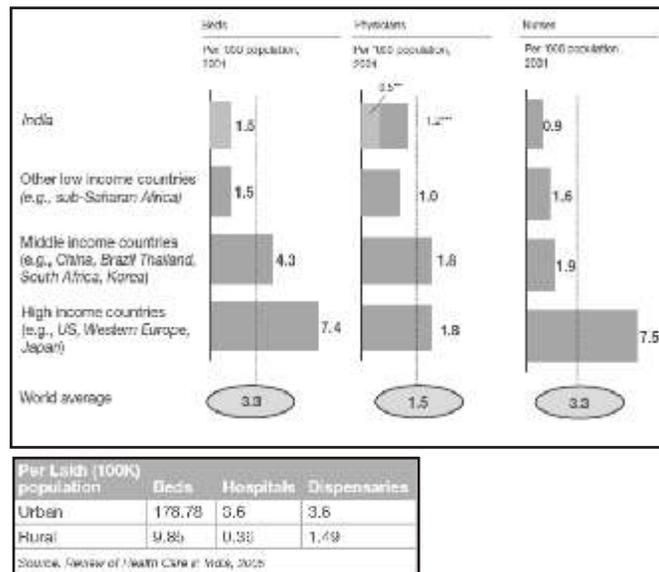
With over a billion as its population, healthcare becomes a key area for the government to address. Healthcare is indeed one of the largest sectors in

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<sup>1</sup> <http://ibnlive.in.com/news/its-official-37-live-below-poverty-line/113522-3.html>

India in terms of revenue & employment, and this sector is growing rapidly. Ironically the private sector accounts for over 80% of the total healthcare spending in India. Indian healthcare sector today stands towering at over \$37 billion and is expected to cross \$ 270 billion by 2020<sup>2</sup>, still the large section of the population suffers from poor standards of healthcare infrastructure which has not kept up with the growing economy. Nearly 1 million people die in India every year due to lack of access to healthcare facilities, over 700 million people have no access to specialist healthcare facilities and over 80%<sup>3</sup> of specialist facilities are located in the urban areas which account for nearly 25% of the population. Getting out of this situation would not only involve creating better rural healthcare centers including dispensaries, rural healthcare centers or local hospitals but also in framing a suitable policy response to the crisis and in creating excellence.<sup>4</sup>

### Indian Healthcare Infrastructure<sup>5</sup>



<sup>2</sup> [http://en.wikipedia.org/wiki/Healthcare\\_in\\_India](http://en.wikipedia.org/wiki/Healthcare_in_India)

<sup>3</sup> [http://economictimes.indiatimes.com/Healthcare/Lacking\\_healthcare\\_a\\_million\\_Indians\\_die\\_every\\_year\\_Oxford\\_University/articleshow/4066183.cms](http://economictimes.indiatimes.com/Healthcare/Lacking_healthcare_a_million_Indians_die_every_year_Oxford_University/articleshow/4066183.cms)

<sup>4</sup> [http://www.procor.org/usr\\_doc/Village\\_Doctors\\_RG.pdf](http://www.procor.org/usr_doc/Village_Doctors_RG.pdf)

<sup>5</sup> [http://www.pwc.com/en\\_GX/gx/healthcare/pdf/emerging-market-report-hc-in-india.pdf](http://www.pwc.com/en_GX/gx/healthcare/pdf/emerging-market-report-hc-in-india.pdf)

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There is a clear need of urgent expansion of the healthcare facilities to the rural India and also to the urban population which does not have access to healthcare facilities. Some of the successful initiatives include Yashaswini Insurance scheme in Karnataka, establishment of mobile dispensaries in Andhra Pradesh and elsewhere to take a regular (weekly) trip to a group of villages etc. The latter ensures that the doctors need not settle in the rural areas and at the same time ensure that the rural and slum establishments are provided with the required healthcare facilities. The vehicles provided with a GPS can provide medical support and transport at a very short notice. The institution of medical advice through a call centre has also been a proven success.

The initiatives like services delivery gateways/state portal (through Citizen Service Centers) could also provide for a platform for the citizens to complain regarding the lack of healthcare facilities in their areas. The government and private institutions are also setting up a tele healthcare facility where the rural or poor people can call to get the necessary guidance with respect to health and hygiene. All this is welcome and relevant keeping the fact in mind that despite the best efforts, the Government could not successfully get the medical students to work in the rural areas for short duration.

## 2. 'Quality' Education for All

Free and compulsory education to all children up to the age of fourteen is a constitutional commitment in India. The Parliament of India has recently passed Right to Education Act through which education has become fundamental right of all children of age group 6-14 years.<sup>6</sup> These initiatives are helping India make progress on the education front but there is still a long way to go before we can say that India is a well educated society.<sup>7</sup> Today more than 95% of the children in India go to school, however, almost half of the students in class III to V cannot even read a simple paragraph, almost 85% of the 5<sup>th</sup> standard

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<sup>6</sup> <http://www.educationforallinindia.com/>

<sup>7</sup> <http://trak.in/tags/business/2010/01/16/india-education-report-2009/>

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students fared poorly in arithmetic skills and could not do division correctly.<sup>8</sup> Are we headed in the right direction, or is the quality of teaching faculty being compromised?

Considering higher education, IITs were started with the foreign aid with the aim of imparting quality education in the field of engineering & technology. Today IITs are ranked among the top colleges in the world. Similarly IIMs are the main cause for India's foray into the corporate world. However if the number of IITs and IIMs is increased, would the quality remain the same? The only reasons why the IITs and the IIMs get the best are because these colleges have a fixed number of seats. Though this is counter to the requirement of spreading the higher education across the country, a balance has to be struck between spreading the technical education widely and creating Centers of Excellence. Unfortunately, attempt to create excellence 'in Bulk' may not succeed.

Already our country boasts of the highest number of engineers and management graduates in the world, and the recent announcement of increase in seats in technical colleges by 2 lacs has brought the focus on higher education. However, this increase in seat number without availability of adequate infrastructure may lead to only quantity and not quality education. Our existing technical colleges suffer from poor infrastructure and a shortage of quality teachers. A large proportion of technical graduates passing out of these colleges are not employable. According to NASSCOM, as many as 60% of the graduates from engineering colleges in India are unfit for the industry. Last year, as many as 10,000 qualified engineers applied for the post of a clerk in a leading public sector bank of the country indicating clearly on the quality of technical education.<sup>9</sup>

Some representative statistics to stress upon judicious usage of resources on widely spreading quality education with a few centre of excellence versus building every unit as a centre of excellence is given on next page:

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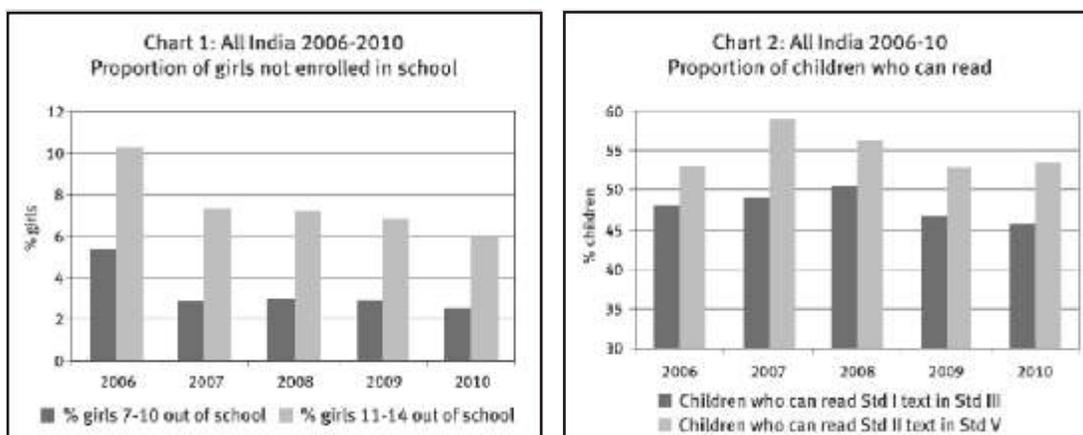
<sup>8</sup> As per the Annual Survey of Education Report 2010  
[http://images2.asercentre.org/aserreports/ASER\\_2010\\_Report.pdf](http://images2.asercentre.org/aserreports/ASER_2010_Report.pdf)

<sup>9</sup> <http://citizen-journos.com/quality-vs-quantity-education/133/>

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## Student Enrolment & Students who can Read<sup>10</sup>



### 3. Drinking Water Availability

Water is undoubtedly an important element towards human survival; today it not only defines our dependence on it for survival but also defines our social and economic development. Once considered infinite resource, fresh water management has become an important task towards meeting our daily requirements. Looking at the current scenario we are moving towards a crisis with heavy dependence on ground water, which is depleting at a very fast rate.<sup>11</sup>

The huge population of India puts a severe strain on all of the country's natural resources, with water being among the most exploited resource since majority of our fresh water sources are contaminated by sewage and agricultural runoffs. Despite steady progress in making available clean drinking water to the Indian population, there still exists a vast disparity in the coverage across the country; the World Bank estimates that around 21%<sup>12</sup> of communicable diseases spread in India are directly attributed to unsafe drinking water.

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<sup>10</sup> [http://images2.aseercentre.org/aserreports/ASER\\_2010\\_Report.pdf](http://images2.aseercentre.org/aserreports/ASER_2010_Report.pdf)

<sup>11</sup> [http://www.whoindia.org/LinkFiles/SDE-Workshop\\_Water\\_Quality\\_In\\_India\\_MOH.pdf](http://www.whoindia.org/LinkFiles/SDE-Workshop_Water_Quality_In_India_MOH.pdf)

<sup>12</sup> <http://water.org/projects/india/>

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Today, out of a total of 5,723 groundwater blocks in the country, 1,615 are classified as semi-critical, critical or over-exploited, and regulatory directives have been issued by the Central Ground Water Authority for 108 blocks. However, neither the Authority nor the state groundwater agencies have the resources or personnel to oversee the enforcement of these regulations.<sup>13</sup>

#### Key Observations<sup>14</sup>

1. India is the largest user of ground water in the world, with an estimated usage of over 230 cubic kilometers of ground water per year - over a quarter of global usage.
2. More than 60% of irrigated agriculture and 85% of drinking water supplies are dependent on groundwater. Urban residents increasingly rely on groundwater due to unreliable and inadequate municipal water supplies.
3. Despite the valuable nature of the resource, 29% of groundwater blocks are semi-critical, critical, or overexploited, and the situation is deteriorating rapidly (2004 nationwide assessment.)
4. At the cost of US\$2,200 per village per year, communities have shown large-scale example of self-regulation of groundwater in the draught – prone areas of Andhra Pradesh.

The National Commission of Urbanization (NCU) has observed that it is inadequate distribution of safe drinking water which causes real problems than the lack of water and that the water supply system is unequal and unjust, being favorable towards the urban areas. The NSU considers that 70 ltr. per capita per

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<sup>13</sup> <http://www.worldbank.org.in/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/INDIAEXTN0,,contentMDK:22508218~pagePK:141137~piPK:141127~theSitePK:295584,00.html>

<sup>14</sup> <http://www.worldbank.org.in/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/INDIAEXTN/0,,contentMDK:22489346~pagePK:141137~piPK:141127~theSitePK:295584,00.html>

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day (lpcd) as the minimum and 90 lpcd as desirable level of clean water to carry on life at a minimum standard of hygiene.<sup>15</sup> The policies and the distribution system need to ensure that the minimum clean water supply is ensured to the entire population.

Fast depleting ground water resources (to alarming level in some areas), lack of awareness about rain water harvesting and ground water recharge are creating a situation where clean drinking water is becoming more expensive than life saving medicines in some pockets of the country. There still are areas where people have to travel long distances to get clean and potable drinking water. The Millennium Development Goal set up by UN targets “Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation”.

While there is a strong need to ensure that safe drinking water is available to all the citizens, and proper channels for delivering clean water are the need of the hour, the Government also has to see how it faces the targets in a realistic manner. Availability of clean drinking water could ensure that the general health of the common population improves, with reduction in water borne diseases, better hygiene and less dependence on underground water.

#### 4. Better Roads and faster travel in India

Healthy and strong road network is essential for socioeconomic development of a country. There must be matching growth between roads, traffic, vehicle population and population. Over crowded, overloaded, poorly funded, poorly constructed, poorly maintained roads cannot be of much use for the development of a country and will create indiscipline and other problems.<sup>16</sup>

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<sup>15</sup> <http://www.cess.ac.in/cesshome/wp%5CWater.pdf>

<sup>16</sup> <http://toostep.com/insight/road-statistics-of-india-problems-solutions>

The total economic loss due to road accidents is estimated to be over Rs. 4000 crores per year.<sup>17</sup> Despite the impressive growth in road traffic and vehicle population (3 lacs in 1951 and 270 lacs in 1995) there has not been a matching growth of the highways network, both in terms of the length and breadth as well as their quality. This is mainly due to less availability of funds for road construction and maintenance, which in real terms, have not increased substantially. The Indian road network has increased from 0.4 MK (Million Kilometer) in 1951 to 3.30 MK. Much of the increase in the road network has come through the construction of rural roads built to provide connectivity to remote rural areas. The government is making consistent efforts in providing connectivity to the remotest of the location in the country and through the Pradhan Mantri Gramin Sadak Yojna (PMGSY) Government had provisioned for all weather road connectivity to eligible unconnected habitations in the rural areas. Other initiatives of the government include the 11<sup>th</sup> five year plan; where the government has allocated ` 10,000 crores for the construction and maintenance of the village roads.

Category wise share of traffic on the roads	
Primary & Secondary Roads	> 90%
Villages & other category Roads	< 10%

Annual report of the Ministry of Road Transport & Highways, Govt. of India (2009)	
India's Total Road Length	3.3 Million Km
National Highways/Expressways	70548 Km (2%)
State Highways	128000 Km (3.8%)
Major & other district roads	470000 Km (14.2%)
Village Roads	26500000 Km (79%)

In India highways/ roads are being exploited. Expenditure in terms of road revenue generated is about 35%, while it is USA, JAPAN, Germany it is 96%, 128%, 82% respectively.<sup>18</sup> Roads are a major lifeline for our country, as it carries the load of over 90% passenger traffic and over 65% of the freight traffic, yet the current status of roads in India is congested and poor and provides low connectivity to all the areas (Rural/Urban) in the country.

<sup>17</sup> <http://toostep.com/insight/road-statistics-of-india-problems-solutions>

<sup>18</sup> <http://toostep.com/insight/road-statistics-of-india-problems-solutions>

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As an initiative to provide connectivity to the four largest metropolitans in the country, Golden Quadrilateral (GQ) was initiated. The project under the control of NHAI is to ensure smooth movement of people and goods throughout the country; the GQ project also provides for economic development and provides better access of markets to the smaller towns.

These initiatives by the government would ensure better road access to the general population, however proper maintenance, usage and management of the roads and highways need to be done to ensure that this development acts as a catalyst for growth.

## 5. Power Availability

Energy sector in India supplies power to the 6<sup>th</sup> largest energy consumer in the world. Energy policy of India is predominantly controlled by GoI's Ministry of Power, Ministry of Coal and Ministry of New & Renewable Energy. Owing to high growth in it's economy, India's energy demand has risen at 3.6% per annum over the past 30 years.<sup>19</sup>

Under the nationwide scheme for development of rural and household electrification launched in 2005, cumulatively till 2010, work in 1,90,858 villages has been completed and connection to over 10 million have been released. Still Jharkhand, Bihar, Uttar Pradesh, Orissa, Uttranchal, and Madhya Pradesh are some of the states where significant number (more than 10%) of villages are yet to be electrified.

- Number of Villages (1991 Census) - 593,732
- Villages Electrified (30 May 2006) - 488,173
- Village level Electrification % - 82.2%

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<sup>19</sup> [http://en.wikipedia.org/wiki/Electricity\\_sector\\_in\\_India](http://en.wikipedia.org/wiki/Electricity_sector_in_India)

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Of the total installed power generation capacity of 171926.40 MW<sup>20</sup>, 64.75% comes in the form of thermal power generation with an installed power generation capacity of 108362.98 MW of which coal based thermal plants contribute to over 53%<sup>21</sup> of total power generation. India is one of the pioneer countries in establishing hydel power plants and has a combined hydel power generation of 37328.40 MW as in 2010 and by 2010 nuclear power plants contributes to 4780 MW of power. Renewable energy in India is a sector that is still underdeveloped and contributes to less than 1% of India's total energy needs.

In 2004-2005, electricity demand outstripped supply by 7-11%<sup>22</sup> and coupled with this, the electricity losses in India during transmission & distribution are extremely high and stand around 30-45%.<sup>23</sup> Power cuts are common in most parts of the country. Theft of electricity, common in most parts of urban India amounts to 1.5% of India's GDP<sup>24</sup> Despite an ambitious rural electrification program around 400 mn Indians lose electricity during blackouts, while 80% of the Indian villages have at least an electricity line, just 52.5% of rural household have access to electricity. The overall electrification rate in India is 64.5%<sup>25</sup>

The Ministry of Power has set itself a goal - Mission 2012: Power for All<sup>26</sup>, the objectives for this includes sufficient power to sustain a GDP growth rate of 8%, reliable/quality and cost efficient power. As part of this the Ministry of Power has also created the strategies for: power generation, transmission, distribution, regulation, conservation and communication. With this mission, the Ministry of Power is moving in the right direction to ensure that the gap in current availability and demand of power is removed or at least drastically

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<sup>20</sup> [http://www.powermin.nic.in/indian\\_electricity\\_scenario/introduction.htm](http://www.powermin.nic.in/indian_electricity_scenario/introduction.htm)

<sup>21</sup> [http://en.wikipedia.org/wiki/Electricity\\_sector\\_in\\_India](http://en.wikipedia.org/wiki/Electricity_sector_in_India)

<sup>22</sup> <http://www.indiacore.com/power.html>

<sup>23</sup> Indian prime minister sets 2012 as deadline to end power shortage in the country

<sup>24</sup> [http://rru.worldbank.org/documents/publicpolicyjournal/272bhatia\\_Gulati.pdf](http://rru.worldbank.org/documents/publicpolicyjournal/272bhatia_Gulati.pdf)

<sup>25</sup> [http://en.wikipedia.org/wiki/Electricity\\_sector\\_in\\_India](http://en.wikipedia.org/wiki/Electricity_sector_in_India)

<sup>26</sup> [http://www.powermin.nic.in/indian\\_electricity\\_scenario/power\\_for\\_all\\_target.htm](http://www.powermin.nic.in/indian_electricity_scenario/power_for_all_target.htm)

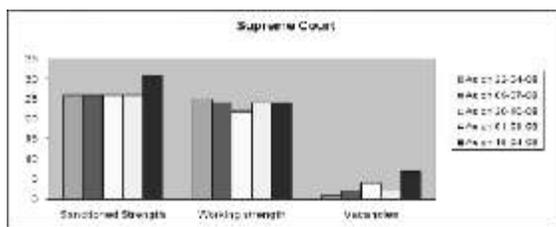
reduced. This is required for the success of various initiatives including SWAN, CSC, SDC, SSDG etc. as these initiatives would mandate continuous power supply for the services to be availed.

## 6. Speedy Delivery of Justice

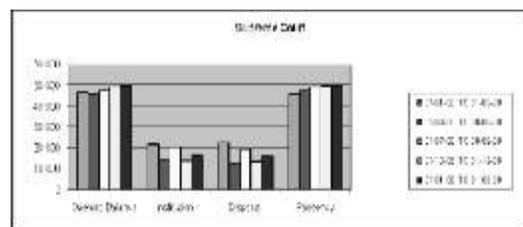
Today, Indian courts have large pendency. For instance, the Delhi High Court has a reported pendency/ backlog of 466 years. According to Transparency International, judicial corruption in India is attributable to factors such as “delays in the disposal of cases, shortage of judges and complex procedures, all of which are exacerbated by a preponderance of new laws”.

One of the reasons attributed to the huge increase in the number of pending cases in High Courts is the non-filling of Judges’ vacancies in time. The number of cases pending trial in the 12,378 district and subordinate courts in the country is estimated to be about 2 crores. Of the 12,205 posts of judges and magistrates in these courts, 1,500 are vacant.<sup>27</sup>

Going by official figures, the subordinate judiciary across the country has a backlog of 26.4 million cases, while the high courts have an arrear of 3.8 million. The Supreme Court had crossed the mark of 50,000 pending cases as of long back.



Details of vacancies in the Supreme Courts<sup>28</sup>



Details of pendency of cases in the Supreme Courts<sup>29</sup>

All this calls for urgent judicial reforms, which has been put on the back burner by successive Governments for quite some time.

<sup>27</sup> <http://www.legalservicesindia.com/articles/misoj.htm>

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The government has created a provision of fast track courts for faster disposal of criminal cases; however the volume of the cases is huge which has led to the backlog of cases to pile up. Various other initiatives like on the spot payment of traffic offenses in Delhi by the traffic police has reduced the burden on the local courts to some extent, however these are one off measures and need to be structured more. Creation of consumer courts to handle consumer related cases has further reduced the burden on the courts in India. The panchayat system also provides for the rural panchayat to handle village level disputes. The government is taking the necessary steps to reduce the burden on the courts to provide faster disposal of cases, however innovative alternatives are still required to provide better service to the citizens.

## Public Service Delivery- Where from here?

As has been discussed above, the public service delivery institutions in India are in a stabilizing phase. There is acceptance at the level of Policy Makers and policy implementers that there is much need for improvement at this stage despite gigantic efforts undertaken so far; and this is a very positive signal. On another positive note, the government has started the Unique Identification Project for the Indian citizens which will ensure tracking of the services being delivered to a citizen in a more fool proof manner.

Some of such initiatives of public service delivery improvement, which have caught an eye of the nation, are given below:

### 1. Hope and Expectations of the Unique ID Project

The UIDAI's mandate is to issue every resident a unique identification number linked to the resident's demographic and biometric information, which they can use to identify themselves uniquely anywhere in India, and to access a host of benefits and services. The number (referred to until now as the 'UID') has been named Aadhaar, which translates into 'foundation', or 'support'.

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The main question asked on this project is about the purpose of the UID, the project is on similar lines as the Social Security card in the USA. The main aim of the project is to gather all the personal information about each and every citizen of India<sup>30</sup>. The huge database thus formed would be accessible to only authorized personnel through an application.

Aadhaar would also be a foundation for the effective enforcement of individual rights. A clear registration and recognition of the individual's identity with the state is necessary to implement their rights – to employment, education, food, etc. The number, by ensuring such registration and recognition of individuals, would help the state to deliver these rights.

Aadhaar can for example, provide the identity infrastructure for ensuring financial inclusion across the country – banks can link the unique number to a bank account for every resident, and use the online identity authentication to allow residents to access the account from anywhere in the country<sup>31</sup>.

The number would be useful to every citizen in the day to day process including opening a bank account, applying for a passport, identity proof, address proof, proof for voter identification etc. The unique number would ensure that the prevalent nexus of counterfeit PAN card/ration card/passport/illegal immigrants etc. is checked and also at the same time it removes the need of multiple ID's<sup>32</sup>.

## 2. Delhi's Pride- Metro Railways

Delhi Metro is a world-class metro. It is an excellent example of excellence in public service delivery. Every day it serves commuters from all walks of life- from office goers, to students, to business professionals- and has high credentials of timeliness.

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<sup>30</sup> <http://www.caclubindia.com/forum/unique-id-cards-who-will-benefit-no-how-to-be-benefi-37958.asp>

<sup>31</sup> [http://uidai.gov.in/index.php?option=com\\_content&view=article&id=142&Itemid=135](http://uidai.gov.in/index.php?option=com_content&view=article&id=142&Itemid=135)

<sup>32</sup> <http://www.deccanherald.com/content/15439/nilekani-promises-roll-ui-numbers.html>

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Delhi Metro Rail Corporation was registered under the Companies Act, 1956 with equal equity participation from Government of India and Government of National Capital Territory of Delhi (GNCTD) with a mission to cover the whole of Delhi with a Metro Network by 2021.

To ensure reliability and safety in train operations, it is equipped with the most modern communication and train control system. It has state-of-art air-conditioned coaches. Ticketing and passenger control are through Automatic Fare Collection System, which is introduced in the country for the first time. Travelling in Delhi Metro is a pleasure with trains available at three minutes frequency at peak rush hours. Entries and exits to metro stations are controlled by flap-doors operated by 'smart-cards' and contact less tokens. For convenience of commuters, adequate number of escalators are installed at metro stations. After connecting the cities of Gurgaon and Noida in the National Capital Region, the Metro started its Airport Express Line recently. With a travel time of 18 min from New Delhi to Airport, the train creates unparallel convenience to national and international tourists.

Metro's utility to the commuters can be gauged from its single day footfall figures of 1.56 lakh on 21<sup>st</sup> November 2010, during the International Trade Fair (IITF) 2010.

### 3. Delhi Police on Facebook (As compared to lodging a complaint at a Police Station)

"Traffic police can't be present everywhere, but rules are always being broken, if people want to report it, we welcome it. A violation is a violation." The city of Delhi is famous for snarled traffic and infamous unruly and errant drivers, the Delhi Traffic Police already overburdened with just 5,000 traffic officers in the city of 12 million people have devised a novel way of bringing the governance to the citizens who can now report for any traffic violation online through Delhi Police's face book page. As of 3<sup>rd</sup> August 2010, over 3000 traffic violations had been reported by the citizens and to demonstrate action, the Delhi

Traffic Police has also issued 665 tickets based on the evidence. The social networking site has thus provided an ideal platform to deliver services to the citizens.<sup>33</sup> The presence of the police on the social networking website has ensured that people are able to report violations at their comfort without having to visit the Police Station and without going through the lengthy and tiring process of reporting an incident.

#### 4. The Telecom Revolution

India is on the threshold of communication revolution. Due to the proliferation of mobiles and wireless expansion, this revolution has become possible. In August 2010, 18.18 million new subscribers were added by the telecom subscriber providers.

Mobile Penetration	2000	2008	South Asia
Mobile cellular subscriptions (per 100 people)	0.4	30.4	32.6
Mobile telephone usage (minutes/user/month)	191	440	363
Price basket for mobile service (US\$/month)	-	1.6	1.9

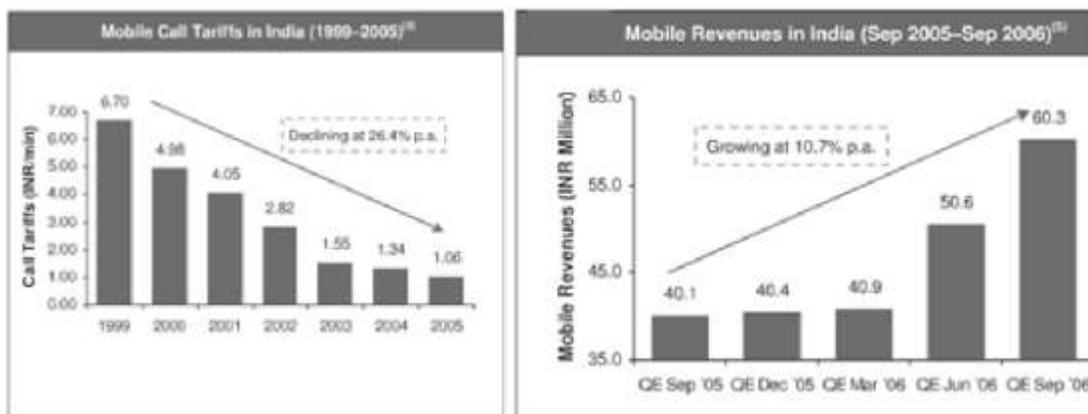
Source: ICT at a Glance, World Bank

Wireless Subscribers – India as on 30 <sup>th</sup> Sept. 2010	
Total Wireless Subscribers	687.71 Mn
Urban Subscribers	460.63 Mn
Rural Subscribers	227.08 Mn
GSM subscribers	578.49 Mn
CDMA Subscribers	109.22 Mn
Teledensity	57.99
Urban Teledensity	129.80
Rural Teledensity	27.32

Source: TRAI

<sup>33</sup> <http://economictimes.indiatimes.com/news/news-by-industry/et-cetera/delhi-police-logs-on-to-facebook-to-nail-errant-drivers/articleshow/6250070.cms>

While the affordability of mobile services leads to a significant growth in revenues, operator margins are reducing, however the service providers are able to provide services at lower costs owing to large volumes (customer base), but such availability of services through the mobile platforms creates an avenue of a delivery channel which is easily accessible by majority of the population and is affordable at the same time.



Decline in Mobile call tariffs in India between 1999 to 2005

Incremental Mobile Revenues in India between 1999 & 2005<sup>34</sup>

## Institutionalizing Mechanisms for Public Service Delivery in India

While we discussed some of the issues in the key services sought by the citizens, we also reviewed some of the successful public service delivery initiatives. However, the instances are in isolation and the need to strengthen the institutional delivery is urgent. *Sevottam* Model of public service delivery is such a process of institutionalizing the public service delivery across the Ministries and Departments of the Government. Along with *Sevottam*, certain large scale reforms are now overdue in key institutions like Judiciary, Police, Healthcare and other Civil Services.

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## A Case Study on “*Sevottam*”, a model for improving public service delivery in India

The *Sevottam* framework was designed by Department of Administrative Reforms and Public Grievance (DARPG) in 2006 as an assessment improvement framework for public service delivery.

The *Sevottam* model on excellence in services was developed with expert support after studying international best practices, stake-holder consultations and field validity. It has basically three modules – Citizen Charter, Public Grievance Redress Mechanism and Service Delivery Capability. The framework helps Government departments towards improving their public service delivery. After beginning with 10 departments in the year 2009, the project is now being extended to 62 departments/ ministries of the Government.

### *Sevottam in Operation*

The Seven Steps to *Sevottam* are – (a) Define all services which a department provides and identify clients; (b) Set standards and norms for each service; (c) Develop capability to meet the set standards; (d) Perform to achieve the standards; (e) Monitor performance against the set standards; (f) Evaluate the impact through an independent mechanism and (g) Continuous improvement based on monitoring and evaluation results.

Seven steps to *Sevottam* Compliant Grievance Redress System are – (a) Well established system of receipt of grievances; (b) Convenient for all users and its wide publicity; (c) Timely acknowledgement; (d) Time norm for redress; (e) Communication of action taken on redress; (f) Platform for Appeal and (g) Analysis of grievance prone areas for making systemic improvements.

DARPG is facilitating preparation of *Sevottam* Compliant Citizen Charters and Grievance Redress Mechanism, through workshops, for Ministries/Departments of the Government and its Organizations. The Agenda of the workshops was: *Sevottam* Compliant Citizens’ Charters and Grievance Redress Mechanism; Modernizing Governance through Strategic Commitment, Awareness and Outreach and Enhanced Performance and Result in Outcome, Strategy and Results Framework Document (RFD).

Several State Governments have also undertaken *Sevottam* compliant initiatives.

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## Need for some Judicial Reforms

The suggestions listed below are part of a speech by a member of the Supreme Court Bar Federation<sup>35</sup>:

- Streamline the revenue administration and give proper title deeds with computerized diagrams; a large number of land disputes could thus be avoided.
- Courts should not be made collecting agents for the financial institutions through criminal proceedings under the provisions of the Negotiable Instruments Act; because of these types of cases, trial of ordinary criminal cases is seriously hampered. Suitable institutions to be created for such cases.
- A large number of motor accidents claims are pending in various Tribunals. In some States, it takes more than 4/5 years to settle the claim despite the fact that large numbers of cases are settled through Lok Adalats.
- Considering the large number of cases pending in various courts, create a “structured formula” whereby Insurance Companies can pay the amount and those who are dissatisfied with the settlement can approach the Tribunal for enhancement.
- Similarly, in land acquisition cases the amount awarded by the land acquisition officer is often litigated. At the district level, if there is a District-wise High Power Committee to fix the compensation at reasonably good amount, most of the claimants may accept it and only very few would resort to file land acquisition cases for enhancement.

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<sup>35</sup> [http://www.supremecourtindia.nic.in/speeches/speeches\\_2008/23%5B1%5D.2.08.confederation\\_of\\_indian\\_bar.pdf](http://www.supremecourtindia.nic.in/speeches/speeches_2008/23%5B1%5D.2.08.confederation_of_indian_bar.pdf)

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The following recommendations could help to improve the pendency situation of the cases in the courts:-

- (i) Set targets for disposal of cases at various levels of Courts: Disposal level of the national system should be raised from 60% of total case load (as of now) to 95%-100% of total case load in five years.
- (ii) Each court to ensure that not more than 5% of the cases in that court should be more than 5 years old (5x5 rule) within the next three years; and in 5 years to ensure that not more than 1% of the cases should be more than 1 years old (1x1 rule).
- (iii) Timetables to be established for every contested case and monitored through a computerized system
- (iv) Case numbers to indicate “litigation start dates” prominently in addition to filing dates.
- (v) Use of Alternate Dispute Resolution (ADR) for civil cases and plea bargaining for criminal cases to be enhanced and monitored through a nation-wide computerized tracking system.
- (vi) Bottleneck Monitoring: Four keys bottlenecks causing delays in civil and criminal process to be monitored through a computerized system and special attention to be provided through a special cell at the High Court and District level to resolve issues in coordination with Executive Agencies : (a) Service of process; (b) Adjournments; (c) Interlocutory Orders; and (d) Appearance of witnesses and accused.

It was earlier mentioned that there is large requirement of Judges at various levels primarily owing to the huge pendency of the cases. It is time that the Indian Judicial Service is created like Indian Administrative Service (IAS) or other All India Services (AIS). Judiciary should move towards Human Resources Management Standards and Judicial Infrastructure Standards based on the requirements of the Indian Legal System and the Global Best Practices.

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## A Case for Police Reforms in India

In 1996, the two former Director Generals of Police filed Public Interest Litigation (PIL) in the Supreme Court of India to direct the centre and the state governments to take measures for improving the quality of policing in India and to make the police more accountable. The decision of the court in 2006 noted that having regard to the 'gravity of the problem' and 'total uncertainty as to when police reforms would be introduced', further waiting was not possible and the stage had come for issuing appropriate directions for immediate compliance to be operative until such time a new legislation is enacted.

The Supreme Court in this case gave directives which were to be followed till the states come up with their police acts.

- First was to set up a State Security Commission which would insulate the police from unwarranted political interference. The primary responsibility of this commission is to lay down policy guidelines for service oriented policing, evaluate the functioning of the police and making binding recommendations to the government to that effect.
- Second, the directives provide for a minimum fixed tenure of two years for the Chief of Police and four other police officers on operational duties in the field.
- Third, the directives call for the separation of investigation from law and order. This would ensure faster, accurate and fairer processes so that rule of law is maintained.
- Fourth, the Court's directive mandated the creation of a Police Establishment Board which would be a departmental body to oversee the transfer and posting of the officials above the rank of Deputy Superintendent of Police.
- Fifth and the most important, the judgment directs to set up Police Complaints Authority in states to inquire into allegations of complaint of public against the men in uniform.

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As of now, however, the states have been reluctant to implement the directives of the Supreme Court while the Supreme Court has set up a monitoring committee to review the implementation of its directives.

## Conclusion

Excellence in public service delivery is in an evolutionary process in India. There are huge demand side pressures owing to the sheer size of the country and its population. Being a democratic country, creating auto propelled mechanisms are also not simple. India also has a time lag compared to the developed parts of the world in terms of development and usage of technology, which coupled with the large size makes the process of catching up a slow process.

What we need from here are steady strides towards the desired objective of excellence in public service delivery. Citizen Charter and Public Grievance Mechanism are fundamental requisites for the same. Today, technological improvements have helped create a lot of transparency in operations and created faster delivery options. For example, MCA 21 is a holistic e-governance solution of the Ministry of Corporate Affairs (MCA) covering entire registry related services of MCA. In this project over 100 services including e-filing of documents, registration of companies and public access to corporate information through a secure interactive portal has been created. ICT enabled solutions are becoming the need of the hour.

There is no reason as to why the benefits of the structured planning and development should not reach the remotest citizen of India. This definitely is a major implementation challenge before the Government but before that it is a question of political willpower before our national leadership- cutting across parties and geographies. Adopting a determined approach and putting the interest of the nation before self is the challenge of the hour.

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## Summary of Discussion

### **Improvement of Public Service Delivery Systems: Challenges of the hour**

**Panelists:**

- Sh. Jyotiraditya Madhavrao Scindia,  
MoS (Commerce & Industry)
- Ms Syeda Saiyidain Hameed,  
Member, (Planning Commission)
- Sh. Rajiv Aggarwal  
Secretary, Dept. of Consumer Affairs
- Sh. S. Gopalakrishnan,  
CEO & MD, Infosys Technologies Ltd.

Knowledge Partner: Pricewaterhouse Coopers

### **Meaning of Public Service**

- **Public services are services provided by governments (Federal, local, municipal) for public welfare**
- **May be supplied in tandem with private operators like public education, public health services**
- **Public service delivery is the implementation of such services and making sure they reach those people they are intended to**
- **Post independence, primary purpose of Indian Civil Services is to deliver public services within the constitutional framework.**
- **This is supplemented by local self government institutions in urban and rural areas.**

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## Changes in Meaning of Public Service Delivery

- World over, expectation of public service is undergoing a change – now citizens are consumers
- Fairness, Transparency and flexible approaches to service delivery is the need of the hour
- Public service needs to strike a balance between efficiency and empowerment
- Service delivery has to traverse beyond group and focus on individuals as the unit of service consumption
- Services should be equally available and accessible to all
- Information Technology can greatly facilitate this paradigm shift

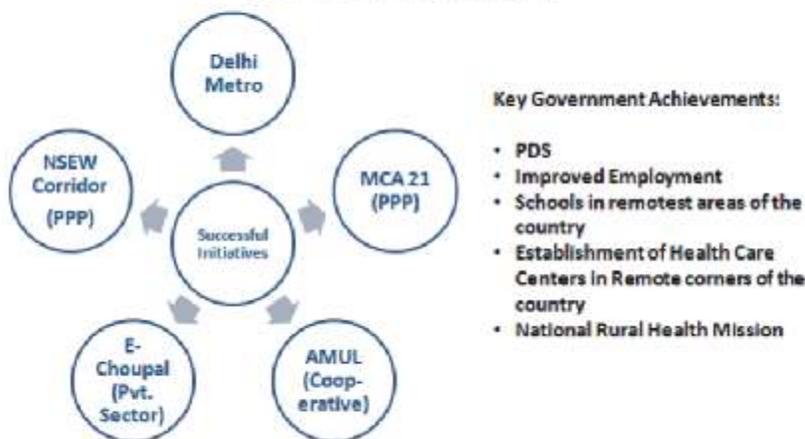
## Challenges in Public Delivery System

- Drawbacks of 'top down' approach
- Accountability deficit because of factors like permanent bureaucracy, lobbies and power groups, assured promotions
- Lack of incentives for better performance
- Bureaucratic delay and 'red tape'
- Financial Irregularities
- Information Asymmetry
- Political interference leading to dilution of 'independence' of bureaucracy
- Selection of beneficiaries is politicized
- Tracking of funds is complicated and mostly paper based

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## Positive initiatives to Improve Public Service Delivery



### Key Government Achievements:

- PDS
- Improved Employment
- Schools in remotest areas of the country
- Establishment of Health Care Centers in Remote corners of the country
- National Rural Health Mission

## Some core public service delivery areas – Health care

- **Public Health care needs expansion especially in rural areas**
- **Some ways to achieve this:**
  - Mobile dispensaries
  - Ambulances fitted with GPS
  - State portal like citizen service centre providing a platform to lodge complaint for lack of health care facility
  - Tele health care

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## **Some core public service delivery areas – Quality Education**

- Under Right to Education Act, education now a Fundamental Right of all children of age group 6-14 years.
- Need to Improve quality of education in government Institutions
- Need to Improve Infrastructure and teacher quality in educational institutions
- Methods of learning need to change – now teachers should empower students to learn by themselves and keep updating knowledge

## **Some core public service delivery areas – Drinking Water Availability**

- Increasing population pressure leading to high rate of depletion of ground water resources
- Contamination of fresh water sources by sewage and agricultural run offs leading to high incidence of water borne diseases
- Urgent attention needed to ensure supply of safe water, water harvesting, ground water recharge

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### **Some core public service delivery areas – Roads**

- **Strong road network are arteries for socio-economic development**
- **Mismatch between rate of economic development and growth of highway network**
- **Initiatives to bridge the gap include: Golden Quadrilateral, PMGSY, dedicated allocation in 11<sup>th</sup> FYP for construction of village roads**

### **Some core public service delivery areas – Power**

- **Rural Electrification still a major challenge – 18% villages yet to be electrified**
- **Challenge is to use proper mix of thermal, hydel and renewable energy sources**
- **Improve distribution and curb losses in transmission, theft etc.**
- **New strategies under implementation for power generation, transmission, distribution, regulation and conservation**

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## **Some core public service delivery areas – Speedy Justice Delivery**

- **Delay in justice delivery system, complex procedures and judicial corruption are areas of concern**
- **Some ways to address the problem can be:**
  - **setting targets for disposal of cases and greater use of information technology in monitoring pendencies**
  - **filling up judicial vacancies**
  - **popularizing ADRs for civil cases and plea bargaining for criminal cases**
- **Problems in consumer's empowerment through consumer courts because of replication of court procedures, infrastructure problems**
- **Establish Indian Judicial Service to attract best talent**

## **Some core public service delivery areas – Police**

- **Modernize provisions of IPC, Cr. PC, Evidence Act.**
- **Empower constables to investigate cases**
- **Centre and State should work harmoniously to modernize laws governing police administration**
- **Work at ways to provide fixed tenure to key Police Officials**

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## Way Forward

- **Change in approach of those in command – Top Leadership to engage, empower and electrify the co-workers, incentivize performance, seek continuous feedback for improvement, exchange and disseminate information on best practices**
- **Improve coordination of all organizations at local level**
- **Multiple approaches needed to achieve excellence in Public Delivery System**
  - Decentralize of control over resources
  - Community participation in formulation and monitoring implementation of local level programmes
  - Views of all stakeholders and experts should be ascertained while formulating programmes by putting draft policies online
  - Needs of different groups like Women, Area specific peculiarities, Group specific disabilities be factored in formulating community development programmes
  - Community participation in building and maintenance of assets
  - Creation of Executive Agency Model like DMRC, Central Planning and Local Execution
  - PPP Models in sectors like Infrastructure where more investment needed

## Way Forward

- **Greater use Information Technology in public delivery systems to:**
  - Improve public convenience in their day to day interface with government agencies like obtaining passports, driving license etc.
  - Better target beneficiaries of public programmes through online transfer of funds to targeted beneficiaries
  - Technology support in Education and Health to enhance outreach of services
  - Improved transparency and monitoring
  - *Sevottam* model of public service delivery through Citizen Charter, Public grievance redress mechanism and service delivery capability

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**Thank You**

BACKGROUND PAPER

## *Challenges of Infrastructure Development*

- Knowledge Partner: Protiviti Consulting Private Limited
- Coordinator: Shri Govind Mohan, IAS
- Panelists:
1. Shri Bharatsinh Madhavsinh Solanki  
MoS (Railways)
  2. Ms. Sudha Pillai, Member-Secretary,  
Planning Commission
  3. Shri Nitin Desai, Hon'ary Prof., ICRIER  
Formerly Chief Economic Advisor &  
Secretary Economic Affairs
  4. Ms. Naina Lal Kidwai, Country Head,  
HSBC India



*Panel Discussion in Progress*

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## What is Infrastructure Development

**T**he link between infrastructure and economic development is not a once and for all affair. It is a continuous process; and progress in development has to be preceded, accompanied, and followed by progress in infrastructure, if we are to fulfill our declared objectives of generating a self-accelerating process of economic development.”

- Dr. V.K.R.V Rao (Noted Indian Economist)

Although, infrastructure is undoubtedly seen as a fundamental element contributing to the economic development of a country, its definition varies widely amongst the various national committees such as the Rangarajan Commission, RBI and IRDA as well as the international bodies such as the World Bank. Broadly, infrastructure can be split into two categories – economic infrastructure (consisting of physical facilities such transport and logistics) and social infrastructure (consisting of health, education, etc). ‘Infrastructure’ as defined by the Planning Commission, includes electricity (including non-conventional energy), roads, bridges and railways, ports, airports, telecommunications, irrigation (including watershed development), water supply and sanitation, storage and gas distribution. However, the World Bank includes Housing and Urban Services (street lighting, solid waste management) in addition to the above mentioned sectors in its definition of Infrastructure<sup>1</sup>.

Investment in infrastructure is about providing basic services that people need for everyday life – power, roads, railways, airports and access to modern communication technology. Investments should not be focused on constructing large and costly projects. Construction of schools and clinics will not yield any benefits if there are no roads and other means of transport to access them. A state of the art factory will not be productive if there is inadequate power supply.

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<sup>1</sup> Planning Commission of India ([www.planningcommission.nic.in](http://www.planningcommission.nic.in))

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## Infrastructure Development in India

India is projected to become the 3<sup>rd</sup> largest economy after China and USA. The Indian economy has emerged with remarkable rapidity from the slowdown caused by the global financial crisis of 2007-08 and 2008-09. With over 1.2 billion people, the country continues to be amongst the world's highest growth destinations, clocking a GDP growth rate of ~8.6% for 2010 – 2011<sup>2</sup> as per the advance estimates of the Central Statistical Office. A well developed infrastructure is the basic building block for propelling a country as it supports accelerated growth that lends further to economic and social development. Further, the rapidly growing Indian economy with its rising middle class having ever larger disposable incomes is increasingly demanding better infrastructure. Recognizing this, successive governments have taken several initiatives to improve existing infrastructure and accelerate development of new infrastructure through extensive investment programmes, regulatory changes, additional budgetary supports, fiscal incentives and encouraging private participation (both domestic and foreign) across sectors.

Since independence, India has accorded highest importance to infrastructure development. 66% (₹ 2,245,000 crore) of the total allocated spending (₹ 3,395,400 crore) in the last ten Five Year Plans has been focused on infrastructural development activities. On account of such paramount importance attached to the development of infrastructure, strong growth has been seen in the availability of such facilities. However, when compared to the demands from the relative size and population of the nation, the progress seems significantly inadequate and substantiates the widely held belief that India has a long way to go with respect to its infrastructure sufficiency. High growth and sustainable development are the principal objectives of all developing economies in the present world. Efficiency in production and distribution of resources both material and services is paramount to optimal utilization of a country's potential in the global framework.

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<sup>2</sup> Central Statistical Organization([www.mospi.nic.in](http://www.mospi.nic.in))

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*“India is facing a huge infrastructure deficit, a consequence of its economic growth outstripping infrastructure availability. With growth preceding infrastructure, we are not building for the future, we are building for the past”*

- Mr. Kamal Nath, Urban Development Minister  
(India - France Conference on Sustainable Development  
& Public Infrastructure)

The current state of infrastructure facilities in India can appropriately be described as ‘strained’. We have a 13.3% peak power deficit, 10.1% energy shortage and inadequate private investments<sup>3</sup>. Out of the existing National Highway network of 70,458 km; 18% is four-lane, 52% is two-lane and 30% is single-lane<sup>4</sup>. Ports suffer from over 100% capacity utilization with inadequate berths and poor rail road connectivity. Airport infrastructure does not provide adequate parking space and sufficient terminal buildings leading to inadequate capacity and strained movement of passengers and cargo. Obsolete technology, slow average speeds (50 kmph for passengers and 22 kmph for freight) and saturated routes are negatively impacting passenger and cargo carrying capacity of Indian railways. Robust population growth and a booming economy are also exerting additional pressure on the ‘strained’ existing infrastructure facilities.

This document focuses on the six key sub-sectors of infrastructure – power, railways, roads, airports, ports, and telecom as well as the critical infrastructure bottlenecks each of these sectors is facing. It discusses some of the key initiatives that have been taken in order to address some of the identified challenges along with case studies and examples of where such solutions have been successful in the past.

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<sup>3</sup> Presentation of Doubling Investment in Infrastructure for India’s 12<sup>th</sup> Five Year Plan by Gajendra Haldea

<sup>4</sup> Secretariat for Infrastructure, Planning Commission ([www.Infrastructure.gov.in](http://www.Infrastructure.gov.in))

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## Sector-wise Infrastructure Development in India

Each of the above mentioned sub-sectors of infrastructure has its own specifics and dynamics. The following section focuses on each of the six sub-sectors of infrastructure individually, discussing the key characteristics, current state, progress within the sector and outlook for the future.

### Power Sector

#### *Current State Assessment*

Power sector reforms have been underway for over two decades. The enactment of the Electricity Act, 2003 was an important step towards reforms in the power sector. The objectives of the Act are to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity as well as taking measures conducive for the development of electrical industry, protecting interests of consumers and supply of electricity to all areas, rationalization of electricity tariffs, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies<sup>5</sup>.

While annual additional capacity has increased from 19,015 MW in 2001-02 to 21,080 MW in 2006-07 to 63,374 MW in 2009-2010, and the total installed generation capacity has increased from 301 billion kWh in 1992-93 to 830.75 billion kWh in 2010<sup>6</sup>, fundamental problems in the power sector continue to afflict the three main stages of generation, transmission and distribution – we still face a peak shortage of 13.3%. A substantial amount of capital is locked up in the form of captive power plants, generators, inverters and voltage stabilizers as a result of frequent power cuts and voltage fluctuations. The main reason for the projected underachievement in capacity addition in each five year plan is due to delayed and non-sequential supply of material by suppliers, shortage of skilled

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<sup>5</sup> Tenth Five Year Plan

<sup>6</sup> Ninth Five Year Plan, Eleventh Five Year Plan and Mid Term Review of the Eleventh Five Year Plan

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manpower for construction and commissioning of projects, contractual disputes between project authorities, contractor and vendors leading to delay in readiness of plants and design problems in CFBC boilers and fuel shortages. Transmission and Distribution (T&D) losses in India exceeded 27% in 2010-11. In countries like China, Malaysia and Thailand, this figure is less than 8%<sup>7</sup>. The biggest challenge arises during the distribution stage. State Electricity Boards are supposed to enjoy managerial and financial autonomy; however, at times they are forced to fulfill political goals at a high financial cost. Irregularities in billing and rampant electricity thefts lead to further losses. Pilferage and theft losses are estimated to be ~` 20,000 crore annually<sup>8</sup>. The Aggregate Technical & Commercial (AT&C) losses range from 18% to 62% across various states. The average AT&C loss is 40% in the country<sup>9</sup>.

#### *Outlook for the Future*

*“I think in the next five years we will see substantial investments in power infrastructure because of the involvement of the private sector...I am optimistic about investments in infrastructure. Within two to three years, the entire face of infrastructure can get transformed dramatically.”*

- K V Kamath, Former MD &CEO, ICICI Bank

- The government is focusing on strengthening of regulations in order to ensure effective implementation of various power reforms. Regulators will focus on ensuring that adequate competition in wholesale trade, including capping of wholesale tariffs and investigating competition is in place. Multiple parties such as SEBs, urban households, generation, transmission and distribution companies, etc. which may have conflict of interests may need to be monitored.

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<sup>7</sup> Discussion Paper on Infrastructure Challenge in India by Louis de Jonghe, Country Director, Indian Resident Mission for JRD Tata Special Commemorative Volume released by the Associated Chambers of Commerce and Industry

<sup>8</sup> Tenth Five Year Plan

<sup>9</sup> Eleventh Five Year Plan

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- The next step will be with respect to introducing competition and providing open access at bulk level. Power distribution is currently the monopoly of SEBs. One of the following three models of restructuring will need to be adopted: public private partnership mode with open access; distribution franchisee mode which allows competitive bidding to select franchisee operators; and performance based State Electricity Distribution Companies (discoms) which promote management independence and overhaul.

## Railways

### *Current State Assessment*

Given India's size, geography, resource endowment and diversity, Railways plays a key role not only in meeting the transport needs but in also promoting national integration by bringing together dispersed areas. Railways is the sole high capacity mode capable of meeting the long term transport needs of the country. Railways scores over road and air transport in terms of a less energy intensive and more environment friendly mode of transport. Indian railways have exceeded projections in both freight and passenger traffic in the past Five Year plans. Originating freight grew from 492.5 Million Tons in 2001-02 to 887.79 Million Tons in 2009-10. Originating passengers have increased consistently from 5,169.3 Million in 2001-02 to 7,245.8 Million in 2009-10. There has been a sustained improvement in Net Tonne Kilometer Wagon per day from 2,223 in the terminal year of the Ninth Five Year plan to 9,270 in 2009-10. Focus on investment in development of Railways has been increasing in each five year plan with allocation of ` 46,405 crore in the Ninth plan to ` 1,02,091 crore in Tenth Plan to projected ` 2,00,802 crore by the terminal year of the Eleventh Five Year Plan. India currently has an extensive railways network spanning 64,015km moving ~21 million passengers and 2.59 million tones of freight on a daily basis<sup>10</sup>. 700 kms of new line has been added in 2010-11 as compared to the annual average of 180 km since independence.

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<sup>10</sup> Ninth, Tenth and Eleventh Five Year Plan

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Technological upgradation and modernization is one of the key areas where the focus has been low. When compared to China, another growing BRIC economy, the Indian railway in early 1990s was bigger in terms of both total route km and route km/sq.km. However, in the past decade, Chinese railway has extended its route by 20,000 km whereas India has only added 960 km. Chinese railway plans to increase its capacity in the next 10 years by 40,000 km as against the Indian target of 2,500-3,000kms. Average carrying capacity of a Chinese wagon is 80 tonnes as compared to the Indian average of 50-55 tonnes. Chinese railway has invested ~\$154 billion in the past 5 years in contrast to Indian plans of \$31.21 billion<sup>11</sup>.

#### Beijing – Shanghai High Speed Railway

Chinese Government is developing a 1,318 km long high speed railway which connects People's Republic of China, The Bohai Sea Rim and The Yangtze River Delta. Construction of the line was commenced in April 2008 and the project is expected to be completed by June 2011. It is the first railway line in the world that has been designed for 380 kmph commercial running. The non-stop train from Beijing South to Shanghai Hongqiao is expected to finish the 1,318 km journey in 3 hours, 58 minutes as compared to the earlier duration of 9 hours. The Beijing–Shanghai High-Speed Railway Co., Ltd. is in charge of construction of the line and the project is expected to cost a total of ~\$32 billion. An estimated 220,000 passengers are expected to use the trains each day, which is double the current capacity.

Further, slow speed of 25 kmph of existing Indian freight trains in comparison to 100 kmph of Chinese trains highlights the improvement potential of freight trains in India. Design defects in terms of bad planning and non alignment with global best practices in the Dedicated Freight Corridor (DFC) project will lead to higher freight charges. The DFC project has opted for a double line and electric traction primarily for container movement which is

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<sup>11</sup> Tenth and Eleventh Five Year Plan

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inconsistent with international practice for level of traffic and will increase cost. Lack of autonomy for the management and expectations of functioning like any commercial organization has led to a need for complete restructuring and corporatization of Indian Railways.

### *Outlook for the Future*

- For expansion and modernization of the railway network, Indian Railways is planning to add 2,500 km of new lines; doubling/tripling/ quadrupling (including DFCs) of existing 12,000 km lines, gauge conversion of 12,000 km, and electrification of 14,000 km of lines by 2020. It also plans to procure 2,89,136 wagons, 5,334 diesel locomotives, 4,281 electric locomotives, 50,880 passengers coaches; develop 50 world class stations and 2,000 km of high speed corridors by the same period<sup>12</sup>. Indian Government has also initiated projects like the development of the Mumbai Monorail to ease congestion within the metropolitan cities which once completed is expected to be the world's second largest monorail corridor. The Mumbai Metropolitan Region Development Authority awarded the consortium to Larsen & Turbo and Scomi Engineering Bhd, Malaysia. The 19.54 km long monorail is expected to cost ` 2,460 crore. The first portion of the first line is scheduled to commence operations in 2011. If successful the same system will be implemented in Delhi and Bangalore.
- It is estimated that by the year 2020 around ` 1,400,000 crores would be spent on augmentation of capacity, upgradation and modernization of Railways, high speed corridors, expansion and management of extensive network on optical fiber cables, and big projects like new lines and dedicated freight corridors. An example of such a project is the Mumbai – Delhi dedicated freight corridors. Government of India is developing a dedicated freight corridor

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<sup>12</sup> Eleventh Five Year Plan

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between Mumbai and Delhi covering an overall length of 1,483 km passing through UP, Haryana, Rajasthan, Gujarat and Maharashtra with end terminals at Dadri in the NCR region of Delhi and Jawaharlal Nehru Port near Mumbai. This Dedicated Freight Corridor will offer high-speed connectivity for High Axle Load Wagons (25 tonnes) of Double Stacked Container Trains supported by high power locomotives. The Delhi- Mumbai leg of the Golden Quadrilateral National Highway also runs almost parallel to the Freight Corridor. Investments in Railway in the coming decade need to be focused on projects similar to the Mumbai – Delhi freight corridor.

## Roadways

### *Current State Assessment*

A good road network is one of the key infrastructure requirements for rapid growth. It provides connectivity to remote areas; provides accessibility to markets, schools, and hospitals; and opens up backward regions to trade and investment. Roads also play an important role in inter-modal transport development, establishing links with airports, railway stations, and ports. India currently operates the world's second largest road network of 3.3 million kms consisting of National Highways, State Highways, Major District roads and village roads. Length of National Highways increased from 58,112 km in 2000-01 to 66,590 km in 2007-08 with improved riding quality and capacity of 46,000 km in 2009-10 which carry ~40% of the road traffic. The government launched a National Highway Development Plan during the period 2005-12 with a projected investment of ` 2,36,427 crore<sup>13</sup>. The completion of Phase III of the programme which focused on six and four-laning of 10,000 km on 'build, operate and transfer' basis is currently under progress. 3,188 km of the targeted 10,000 km has been completed in 2009-10.

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<sup>13</sup> Ninth, Tenth and Eleventh Five Year Plan

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The average road density in India is 2.75 km per 1000 people whereas the world average is 6.7 km per 1000 people. Highly congested Indian highways lead to slower travel time and speed of trucks which is currently only 200 km per day as compared to global average of 400 km per day<sup>14</sup>. Plans of the Indian government to build 7,000 kms of national highways each year have gone afoul on account of conflicts between state and national governments while China is steadily building a stronger and more extensive system of National Highways larger than the United States by the year 2020.

Only half of the existing road network is paved and ~23% in good condition. Roads carry about 61% of freight and 85% of passenger traffic. The highways constitute only 2% of the total network and carry over 40% of the road traffic. The number of vehicles on the road has been growing at CAGR of ~8% in the last five years. This has led to excessive strain on the capacity of roads and highways. This leads to delay in transporting goods and adds to fuel wastage and increases pollution. Road capacity shortages have also led to heavy encroachment, crowded and unsafe urban crossings and frequent stops at state. The present condition of the secondary system is worrisome as only a small portion of the total funds for the sector are allocated to State Highways and major district roads (MDRs). National highways and rural roads are allocated sufficient funds at the central level and rural roads also get additional funds at the state level however, SHs and MDRs are neglected. Deficiencies exist on account of inadequate width carriageway in relation to traffic demand, weak pavement and bridges, poor safety features and road geometrics and inadequate formation in hilly and mountainous region. Losses due to poor condition of the roads amount to ` 6,000 crore per annum. Overall time spent in India survey and design in India is 20% of the total project duration whereas in China it is 45-50%. Additional effort and time needs to be spent on surveying, data collection and design. However, these additional requirements should be allocated out of the existing project budgets in order to avoid increase in project costs.

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<sup>14</sup> Economic Survey 2010-11

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### Bandra – Worli Sea Link: Is It Worth the Cost?

Bandra Worli sea link is a cable stayed bridge, which links Bandra and the Western suburbs of Mumbai with Worli and Central Mumbai. The project was initiated by the Maharashtra State Road Development Corporation (MSRDC) with an expected cost of ₹ 400 crore in 1999 with construction being carried out by a leading India private infrastructure and real estate developer. The project was to be completed in 5 years with an 8 laned sea link. However, the sea link was opened to the public in Mar 2010, 10 years post the commencement date, with a final cost of ₹ 1,634 crore. The sea link faced one road block after another.

- Environmental groups and fishermen objected with an argument that the bridge would upset marine ecology
- Various Public Interest Litigations led to a delay of 4 years in commencement of construction
- Spiralling costs of the project led to stand-offs between the construction company and the Maharashtra Government

After all this effort, early indications are that vehicle count on the 4.7 km sea link is significantly below expectations (< 50%) the estimated traffic since it was opened to the public in 2010. MSRDC has suffered huge losses in the construction of the first phase of the sea link and is actively considering building coastal roads instead for the rest of the phases, which are substantially cheaper than building another sea link.

### *Outlook for the Future*

- Upgradation of 12,109 km: NHDP-III involves upgradation of 12,109 km (mainly 4-laning) of high density national highways, at a cost of ₹ 80,626 crore. Out of total length of 12,109 km, around 4,699 km is still to be awarded by NHAI.
- 2-laning of 20,000 km with paved shoulders: NHDP-IV envisages upgrading of 20,000 km of highways into 2-lane highways, at an indicative cost of ₹ 27,800 crore. The government has already approved strengthening of 5,000 km to 2-lane paved shoulders at a

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cost of ` 6,950 crore. However, around 14,034 km is still to be awarded by NHAI.

- 6-laning of 6,500 km: NHDP-V involves 6-laning of the existing 4-lane highways comprising the Golden Quadrilateral (GQ) and certain other high-density stretches, will be implemented at an estimated cost of ` 41,210 crore. Implementation of initial set of projects has already commenced and the entire package is expected to be completed by 2012. Out of the total length of 6,500 km, around 4,200 km is still to be awarded by NHAI.
- Development of 1,000 km of expressways: Government has approved 1,000 km of expressways to be developed under NHDP Phase-VI, at an indicative cost of ` 16,680 crore<sup>15</sup>.

## Aviation

### *Current State Assessment*

Air transport is the preferred mode of transport especially for long-distance travel, business travel, accessing difficult terrains, and for transporting high value and perishable commodities mainly on account of the speed of travel and saving of time. India currently has 82 operational airports handling a passenger capacity of 235 million as compared to 42.03 million in 2000-01 and cargo capacity of 1,702 thousand metric tonnes as compared to 846.42 thousand metric tonnes in 2000-01. Aircraft movements have experienced 3-4% growth during 2010<sup>16</sup>. Various developments have taken place in the sector with respect to introduction of a policy of Greenfield Airports, addressing procedure for approval of Greenfield projects within 150 kms of existing airports for passengers and cargo. The two national carriers Air India and Indian Airlines were merged to increase optimize fleet acquisition, leverage asset base, strengthen network and achieve economy of scale. India plans to be the world's

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<sup>15</sup> FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

<sup>16</sup> Economic Survey 2010-11

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fastest growing civil aviation market by 2020 with 420 million passenger handling capacity<sup>17</sup>.

**Bangalore International Airport Limited, BIAL**

- Situated about 40 km from the city of Bangalore, it has been built in the Public Private Partnership between Siemens Project Avenues, Germany (40%), Unique (Flughafen Zürich AG) (17%), Larsen & Toubro, India (17%), Airport Authority of India (13%) and KSIIDC (13%)
- Its integrated terminal building spread over 71,000 sq mts is equipped with:
  - 8 boarding bridges and 20 boarding gates
  - Self Check in kiosks
  - 18 Immigration counters
- The terminal buildings at the airport are built to comply with the peak hour traffic of 3000 passengers

The construction of the airport commenced in July 2005 which was a decade later than the planned date and due to this the project had to be redesigned to accommodate 12 million passengers per year as against the decade old projection of 3.5 million. The airport was scheduled to be inaugurated in March 2008; however it finally commenced operations in May 2008. Delays in the commencement of construction and final inauguration of the airport led to huge time and cost overruns in the project.

Various Government initiatives have been taken up to improve and modernize the airport infrastructure however, the sector is still facing hurdles in terms of land acquisition and regulatory uncertainty. A classic example is the Navi Mumbai Airport which was approved in 2004 but work on this project has not yet begun. Inefficient and slow handling procedures at cargo facilities on account of lack of specialized and efficient cargo infrastructure, cargo terminals,

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<sup>17</sup> FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

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cold storages, automatic storage and retrieval systems lead to very high dwell time. Dwell time for import and export in India is 3-5 days whereas the international average is 6 to 12 hours<sup>18</sup>. Initiatives to corporatize cargo handling facilities and reducing dwell times have been taken up by the government. A recent example of this is the awarding of a 10 year contract to Celebi, a Turkish Firm for handling cargo at the largest Indian International Airport (IGI, New Delhi). Celebi will develop, modernize and finance and operate the existing cargo terminals. Such initiatives have been taken up to reduce the dwell times at Indian facilities and bring them upto global benchmarks.

Indian aviation sector is also faced with the scarcity of trained technical personnel like Air Traffic Controllers (ATC). Planned growth rates will cause a further challenge for the Air Traffic Management System and for airports. Currently there are 1,000 ATCs spread across India. Major International airports are facing shortages of trained personnel as high as 40-50%. As a result, a single ATC is handling up to 400-500 flights daily leading to excessive pressure, burn outs and exhaustion and causes accidents due to carelessness.

### *Outlook for the Future*

- As per estimates, India will be the fastest growing civil aviation market in the world by 2020 with about 420 million passengers being handled by the Indian airport system as against 140 million in 2010. Recently, Boeing estimated that India will require 1,150 commercial jets at a price of up to \$130 billion over the next 20 years. Airbus also expects demand for 1,032 commercial aircraft in India in the next two decades.
- It is anticipated that by 2020 a total of \$80 billion would be required to fund the fleet requirements of the commercial airlines. Similarly, the airport system (modernization of non- metro airports and building Greenfield airports) would require an investment of \$30 billion.

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<sup>18</sup> Eleventh Five Year Plan

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- In addition up-gradation of Air Navigation Systems (ambitious GPS-aided GEO augmented Navigation –‘GAGAN’ Project) would require another ` 600 crore. Air India would also require huge amounts of funds to turn around<sup>19</sup>.

## Ports

### *Current State Assessment*

Ports constitute inter modal interface between maritime and road and rail transport. India has a coast line of 7,517 km with 13 major and 187 non major ports. 95% by volume and 70% by value of India’s global merit merchandise is carried through the sea route. Port carrying capacity of all Indian ports put together has increased from 344 million metric tonnes in 2000-01 to one billion tones in the last year<sup>20</sup>.

However, this mode of transport has long been ignored even though it consumes the least amount of energy per ton kilometer and is a very cost effective way of connecting remote areas. Indian ports suffer from high dwell time due to inefficient cargo handling in comparison to international ports such as Colombo, Shanghai and Singapore. The average dwell time at Indian port is 3.78 days as compared to Singapore with a dwell time of 0.60 days. The vessel evacuation rate at an Indian port is 40 containers per hour whereas at Singapore it is 100 containers per hour.

Only 55 of the 276 projects envisaged in the National Maritime Development Programme have been completed as of November 2010<sup>21</sup>. Lack of autonomy in both financial and operational matters requiring approvals from the Ministry in all matters poses the biggest challenge in faster development of this sector. Major ports should be corporatized and should adopt a customer

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<sup>19</sup> FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

<sup>20</sup> Eleventh Five Year Plan and Economic Survey 2010-11

<sup>21</sup> Economic Survey 2010-11

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oriented approach to accelerate development and attainment of operational efficiency. Ports should be given autonomy on the same lines as 'Navratna' and 'Mini-Ratna' public sector undertakings which are made accountable for their decisions and overall performance.

#### Jawahar Lal Nehru Port Trust (JNPT)

Projects like JNPT Mumbai throw open arrays of opportunities for Shipping lines and Shippers to ferry cargo to various sectors globally. Indian ports need world class infrastructure facilities like the ones at the JN Port comprising of a full fledged Customs House, above 30 Container Freight Stations and a large number of ICDs across the country. It provides excellent hinterland connectivity; both by rail and road, as well as proximity to airports, hotels, etc. giving the port an extra edge to address the shippers needs efficiently and promptly. Among the many pioneering legacies of JN Port has been the introduction of public-private partnership (PPP) and the BOT concept in the Indian ports sector, because of which many facilities have been able to adopt international best practices and attain global performance standards.

#### *Outlook for the Future*

- Traffic at Indian Ports estimated to reach 2,485 MT by 2019-20 from the present level of 850 MT at a CAGR of 11.3%
- Traffic at major ports likely to rise at a CAGR of 8% from 561 MT in 2009-10 to 1,215 MT by 2019-20, while traffic at non-major ports expected to grow at a CAGR of 16% from the current level of 289 MT to 1,270 MT
- Need to increase overall capacity of Indian Ports to 3,230 MT by 2020 (more than 3 times the current level)
- Proposed investment in major and non-major ports by 2020: approximately ₹ 2,87,000 crore<sup>22</sup>

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<sup>22</sup> FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

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## Telecom

### *Current State Assessment*

Telecom is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. Telecom has been gaining importance over the past two decades on account of enormous growth in the Information Technology sector. The opening of the telecom sector in India has not only led to rapid growth but has also helped in maximization of consumer benefits due to consistently falling tariffs. Indian telecom network increased from 38.59 million telephone subscribers in 2001-02 to 764.77 million in 2009-10. With the penetration of mobile services, rural telephone connections have gone up from 9.01 million in 2001-02 to 250.49 million in 2010. With the introduction of supportive policies broadband subscribers have increased from 8.77 million to 20 million in 2010. Telecom sector has witnessed major changes in the tariff structure<sup>23</sup>. The Telecommunication Tariff Order 1999, issued by Telecom Regulatory Authority of India (TRAI), started the process of tariff rebalancing with a view to bringing them closer to the costs. Further, increased competition in the telecom sector has also resulted in a substantial fall in the tariffs.

Indian telecom sector has grown very rapidly in the last two decades. However, when viewed in the context of global growth patterns and indicators, there exists a need for achieving more in terms of teledensity as compared to other countries. Teledensity of China increased from 24.98% in 2001 to 56.63% in 2006 with a population increase from 1296.1 Million to 1315.8 Million, in Brazil it increased from 38.52% to 59.78% with a population increased from 171.8 Million to 186.4 Million whereas India's teledensity increased from 4.01% to 12.7% with a population increase from 1027.9 Million to 1115.9 Million<sup>24</sup>.

Rapid expansion in the sector has created the need for bandwidth to support the spectacular growth. With the increase in the number of subscribers

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<sup>23</sup> Ninth, Tenth and Eleventh Five Year Plan

<sup>24</sup> Ninth and Tenth Five Year Plan

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there is an increased demand of value added and better quality services. With the launch of 3G and WBA services, the government needs to focus on effective policy creation for efficient use of the spectrum. The government also needs to identify measures of efficiency to recover and reassign spectrum from assigned users if it is not being used as per the terms.

To attain the target growth rate of 9%, it is essential to revamp the complete infrastructure sector. Achievement of such a growth rate is possible only if the various bottlenecks are removed. Given the enormity of investment requirements and limited availability of public resources for investment in physical infrastructure, it is imperative for the Indian Government to explore avenues for increasing investment in infrastructure through a combination of public investment, PPPs (public-private partnership) and occasionally exclusive private investments.

#### Telecom – India’s Success Story

15 years ago, India was at the bottom ladder of the teledensity table at 1.1%. Telecom sector was mired in the regular red tape, crushing weight of bureaucracy and a staleness in thinking. A number of attempts since the time of Indira Gandhi were made to reform the sector. The actual transition started in 1994-95 with the unbridled increase in the number of PCOs over the Indian landscape. PCOs proved to be significant employment generators. This led to the general public voting for new services.

Share of private investments increased from 28% in 2002 to 80% in 2010 leading to achievement of targeted teledensity of 15% by 2010 three years ahead of schedule. With over 10 million subscribers added every month, the total subscriber base stood at 700 million as on December 2010. India currently operates with the lowest tariffs in the world.

*“If all new mobile subscribers added EVERY MONTH in India were to form a separate country, that country would be as populous as Australia – 2 crores every month”*

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### *Outlook for the Future*

- There is a growing need for more bandwidth to support the spectacular growth in cellular telephony. With the increase in the number of subscribers, greater bandwidth is needed for value added and better quality services.
- Optical fiber cables to the uncovered areas, especially rural areas need to proceed towards completion. Government needs to launch appropriate schemes of operation for auction and managing of 3G and wireless broadband services.
- Various government initiatives for promotion of rural telecom infrastructure should be facilitated through setting up of triple play networks to deliver multiple services at viable prices in order to bridge the information divide in the rural areas. Special focus needs to be paid to backward and remote areas of North East India, Jammu & Kashmir and the tribal belts. In the process of policy formulation for promotion of rural telecom, the government should ensure that content requirement of the rural areas is assessed as the solutions regarding content and services for high end consumers or the middle class will not be the same as the rural users.

## Challenges in Infrastructure Development

### *Land Acquisition*

Land acquisition is probably the biggest impediment to speedy implementation of infrastructure development projects. Delays in land acquisition lead to delays as long as 21 months in commencement of projects. According to the Project Status Implementation Status Report of Central Sector Projects, April – June 2009, land acquisition is one of the major causes for time and cost overruns, affecting 20 out of 135 delayed projects (12 Railways, 6 Coal,

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1 Petroleum and 1 Power Project). Road and highways in India are also faced with the challenge of land acquisition as 70% of planned roadway projects are delayed in India due to issues with land acquisition approvals from related authorities. An average of 21 months is spent on land acquisition formalities in each road and highway project. Lack of strong review mechanism in the project approval process leads to cost and time overruns. The government should consider adopting the Haryana Model of Land acquisition – where the compensation is linked to market prices of land and takes into account future value additions.

*“When I look at the challenges ahead I feel that today land acquisition remains the biggest challenge for road construction, a major factor behind project delays as multiple authorities are involved”*

- Mr. Kamal Nath, Road & Transport Minister (July 2009)

*“Process time for land acquisitions have been reduced from 18 months to 8 months and 150 special land acquisition units are being set up for speedy implementation of projects”*

- Mr. Kamal Nath, Road & Transport Minister  
(Economic Editors’ Conference, November 2009)

### *Accountability*

Lack of transparency within the system due to issues such as red-tapism and corruption are worth discussing as they hamper the country’s progress in meeting its infrastructure development needs. The public sector has to focus on changing its role from sole to co-producer of infrastructure services along with the private sector. What may be required is providing a transparent regulatory system to ensure a fair deal for customers and a level playing field for private investors. For example, tariff is controlled by Tariff Authority for Major Ports (TAMP) for major ports, but no such overall body exists for minor ports leading

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to unfair competition. Further, TAMP is vested with limited powers, with no authority to requisition records and cross-examine witnesses for tariff-related issues. This limits its role as well as prevents any other controller from being put in place.

Government should continue to focus on rural infrastructure development as those areas attract lesser attention from private investors. It is imperative for the government to explore avenues for increasing investments through a combination of public investment, PPPs and exclusive private investments in some areas. To attain the target growth rate of 9%, it is essential to revamp the complete infrastructure sector. Achievement of such a growth rate is possible only if the various bottlenecks are removed. Given the enormity of investment requirements and limited availability of public resources for investment in physical infrastructure, it is imperative for the government to explore avenues for increasing investment in infrastructure through a combination of public investment, PPPs and occasionally exclusive private investments.

Behavioral changes are also required on part of all the parties – public utilities, which now compete with the private sector; private sector, which needs to face up the challenge of operating infrastructure facilities and finally the public, who has long been used to free or heavily subsidized infrastructure facilities. However, in the midst of all this, the government needs to continue to play its role of an enabler as well as a moderator; ensuring commercial interests of the private sector do not overlook the socio-cultural and environmental needs of the people.

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### Delhi International Airport (P) Limited (DIAL)

- DIAL is a joint venture consortium of GMR Group (54%), Airport Authority of India (26%), Fraport Eraman Malaysia (10% each)
- In Jan 2006, the consortium was awarded the concession to operate, manage and develop the IGI Airport following an international competitive bidding process.
- DIAL entered into Operations, Management and Development Agreement (OMDA) in 2006 with AAI. The initial term of the concession is 30 years, extendable to another 30 years.
- Salient features of Phase I:
  - o Third runway, amongst the longest in Asia, started operations in 2008 and is capable of handling A380 sized aircrafts
  - o New domestic terminal inaugurated on 26<sup>th</sup> February, 2009
  - o State of the art integrated terminal ready in 2010; featuring an advanced 5 level in-line baggage handling system with explosive detection technology, ~160 check in counters and 76 aerobridges
- First phase designed to handle 60 million passengers per annum, was completed on March 31, 2010

### *Effectiveness of Implementation*

The Ministry of Statistics and Project Implementation studied 925 projects in the central sector as on 31st March 2009 costing over ` 20 crores. Out of the total projects, 285 projects have an anticipated cost overrun ranging from 1.3% to 118.7%. The total anticipated cost of these 285 projects was 47% higher than the cost approved by the government. Moreover, 423 of the total 925 projects were delayed by 1-192 months<sup>25</sup>. Time and cost overruns of such high magnitude have been on account of various reasons including slow pre-tendering approvals, land acquisition, availability of material, and delayed dispute resolution. For example, existence of ineffective dispute resolution

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<sup>25</sup> Ministry of Statistics and Project Implementation of India ([www.mospi.nic.in](http://www.mospi.nic.in))

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techniques has led to over USD 1.8 billion blocked in various disputes and arbitration. This not only causes delays in project implementation but also locks funds which could be utilized for further development. Differential in project costs is also another factor leading to huge cost overruns. This is a major block to the development of the road segment, where the differences in the estimated project cost by the NHAI and the one estimated by the developer has led to unwanted cost escalations. According to the World Bank, 40% of road construction projects in India face cost escalations of 25-50%. However, we have also witnessed some recent initiatives taken up by the government in improving the implementation process of various infrastructure projects which are very encouraging. For example, the successful commissioning of the Delhi Metro before the pre-defined timelines and within budget is an excellent example. It carries over 2.2 million passengers on a daily basis with an annual fuel saving of approximately \$110 million<sup>26</sup>.

#### 'Power to All by 2012' - Implementation of Power Projects in India

Till recently, a monopoly-public-utility argument was used to justify government ownership of the sector. Political interference combined with a lack of project management expertise and accountability has led to inordinate delays in planned investments and hence, the task of bridging the capacity shortages through large-scale investments cannot be completed through public planning alone. Recognizing this, the sector was opened up in the 1990s for private participation. Encouraged by favourable policy developments and the introduction of independent regulation, greater private participation has been becoming visible in the sector in the last few years. An additional 60,000 circuit km of transmission network is expected by 2012. However, various proposals in generation and transmission are currently delayed at different stages of implementation. For the 10th Five Year Plan, according to a report, reasons for slippage range from inadequate preparedness of projects, shortage of equipment to the delay in financial closure. Shortage of critical equipment to be supplied by BHEL has been identified as a major cause of delay in the timely completion of these projects. (3960 MW of slippage in thermal projects) Delay in investment decisions and awarding of work are the next two more critical reasons owing to approximately 2500 MW of slippage between 2002 and 2007.

<sup>26</sup> Delhi Metro Rail Website ([http://www.delhimetrorail.com/commuters/whats\\_new.html](http://www.delhimetrorail.com/commuters/whats_new.html))

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## *Financial Sustainability*

Financing infrastructure projects are foreseen as a huge challenge in the coming years due to the fiscal deficits and lack of availability of adequate government funding for projects. As per the Project Implementation Status Report of Central Sector Projects (Costing Rs. 20 crore and above), a total of 139 projects, 31 projects (28 Railways projects, 2 Power projects and 1 Coal project) were delayed due to the fund constraints in June 2009<sup>27</sup>. This clearly indicates a need for innovative funding ideas and new models of financing projects. Channeling domestic and foreign financial savings into infrastructure requires a judicious mix of policy and intervention which balances the growth and stability objectives. Deepak Parikh Committee recommended development of domestic debt capital market to tap the potential of insurance sector and tapping the potential of banks, financial institutions and non banking financial companies specializing in infrastructure financing. To improve the financial health of public utilities, user charges need to be levied at realistic levels and collected with minimum inconvenience to the public. Infrastructure sector needs to be focused on becoming self financing to avoid funding issues faced in the past.

## *Upgradation of Technology and Modernization*

India will continue to experience a slow growth track unless focus is laid on modernizing the existing backward infrastructure. Rapid population shift into the urban areas, which is expected to be 400 million people in the cities over the next 40 years threaten the existing transport infrastructure. The Government needs to address concerns with maintenance and development of the existing infrastructure while focusing on initiation and implementation of new projects.

For example, despite the importance given to development of Indian railway, this sector has been facing the challenge of a declining market share in comparison to other modes of transport. Continued challenges of

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<sup>27</sup> Ministry of Statistics and Project Implementation of India ([www.mospi.nic.in](http://www.mospi.nic.in))

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modernization in terms of providing newer services such as customized wagons for carrying automobiles, refrigerated wagons for agri / perishable products in freight and high speed passenger trains, provision of higher capacity / high speed rolling stock, etc. plague the sector. Although India is the second largest small car market in the world, only 3% of finished automobiles are moved by trains in comparison to the world average of 26%<sup>28</sup>. Inability of Inland Container Depots (ICD) to provide safe, efficient, customer friendly and fast movement of goods, makes road transport the preferred mode.

In the aviation sector, old equipment and limited capability of handling traffic at night or during rough weather conditions are critical areas of concern, as the existing infrastructure is not equipped with latest facilities and state of the art equipment. Focus needs to be laid on developing new range of services in transport.

#### *Slow Pre-Tendering Process*

The multiple number of approvals required across various infrastructure sectors such as External Finance Committee, Public Investment Board or Cabinet Committee for Economic Affairs add up to one year to the pre-tendering process. Several processes, such as ministerial approvals, do not have defined timelines. Furthermore, the individuals involved are not always held accountable for delays in approvals. The pre-tendering process should move from being slow and centralized to fast, short, and de-centralized.

#### *Shortage of Resources*

Shortage of resources is a huge impediment for attaining the desired growth and development in the infrastructure projects. Equipment shortage can be seen in the power sector, where in the shortage has been primarily in the core

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<sup>28</sup> Economic Survey 2010-11 and FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

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components of Boilers, Turbines, and Generation, there has been lack of adequate supply of Balance of Plant equipment as well. International airports such as Delhi and Mumbai are facing heavy congestion leading to incremental flying which delays landing. Approximately ` 500 crore worth of Aviation Turbine Fuel (ATF) was wasted in 2009-2010 in incremental flying<sup>29</sup>. Wastage of this magnitude accounts for over 3% of the total ATF consumed by airlines on an average.

Fuel, is another critical resource, which has been scarce and is of utmost importance to across sector projects. While additional gas supply from KG Basin has eased shortage to a limited extend, supply constraints for domestic coal remain and are expected to continue going forward. The power sector uses about 74% of the country's coal production. Dependence on imported coal went up from 10.2 MT in 2007-08 to 16.1 MT in 2008-09. Since over 50% of all power generated in the country is dependent on supply of coal, shortage of this fuel poses a daunting challenge.

Shortage of trained and skilled manpower results in cut-throat competition for employees (which, in turn, drives up wages to unsustainable levels).

### *Regional Disparity*

In the year 2000, around 40 per cent of the 825,000 villages in India lacked all-weather access roads. This constrained economic activities and access to essential services. Nearly 74 per cent of India's rural population, constituting the majority of India's poor, was not fully integrated into the national economy.

The poorest regions of India are also the ones with the worst infrastructure. Improving their infrastructure base will be first step towards

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<sup>29</sup> Mid Term Review of Eleventh Five Year Plan and FICCI report on Inputs on Key Strategy Challenges for the 12th Five Year Plan

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creating conditions for pro-poor growth. Focus, should not only be directed at the areas, with high density of population but also the rural regions of the India. Concentrating on few sectors, due to the reason that their population is high, will have a cyclical effect, as the development and advancement of the infrastructure at already advanced regions, will continue to attract the population from the rural regions. Hence for an overall inclusive growth and development, infrastructure projects should be in both the development.

The Telecom Sector of infrastructure has witnessed immense growth in the rural regions and is poised to grow. The overall urban teledensity has increased from 147.88 to 150.67 and rural teledensity increased from 31.18 to 32.11. This has been possible due to the wireless telephony, which require less physical infrastructure than the wireline telephony.

#### *Other Regulatory Requirements*

A long list of clearances is required for infrastructure projects which add to the implementation timelines of projects. Apart from approvals required for physical implementation, a number of economic, financial and environmental clearances need to be under 'fast track mode' which is also a leading cause of the delay in implementation of infrastructure projects.

#### **Government Initiatives**

##### *National Maritime Development Policy*

The Government of India is formulating a comprehensive National Maritime Development Policy, which will facilitate enhanced private investment and improve service quality. This policy also aims at encouraging more investments in port projects at substantially higher levels to meet the medium and long term objectives.

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### *Boost for the Power sector*

The Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), launched by the Central Government in 2005 to provide access to electricity to all households in India by 2012, received a revised budget allocation of ` 70,000 million for 2009-10 from ` 55,000 million for 2008-09. This is not only expected to accelerate rural electrification, but will also benefit power distribution and distribution equipment players in the industry as they will gain momentum<sup>30</sup>.

### *Road ownership handed to NHAI*

To make finance readily available for road projects, the Government of India has vested the ownership of roads with highways regulator NHAI, which can lease them out to private developers so that they can raise loan against such property. Earlier roads were entrusted with NHAI (and not owned by NHAI), who licensed them to private developers who could not provide such roads as security to avail loans from banks and other institutions. Once the ownership is vested with the NHAI, the authority can lease them to the developer who can securitize the property to raise money.

### *Boosting Rural Communication*

Laying of optical fibre cables to uncovered rural areas must proceed towards completion. Government should focus on appropriate scheme for auction and managing of 3G and wireless broadband based services. Government policy for utilization of funds under Universal Service Obligation is being reworked in order to address expansion of rural telephony and rural broad band and in general ICT penetration into rural areas.

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<sup>30</sup> Tenth and Eleventh Five Year Plan ([www.planningcommission.nic.in](http://www.planningcommission.nic.in))

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### *Training Manpower*

In order to address the acute shortage of operational manpower in aviation sector Indira Gandhi Rashtriya Udyan Academy (IGRUA) has been upgraded and a new flying training institute at Gondia has been established and the management has been passed on to the CAE flight training private limited, a wholly owned subsidiary of CAE Inc, Canada<sup>31</sup>.

### *Initiatives to Promote Public Private Partnerships*

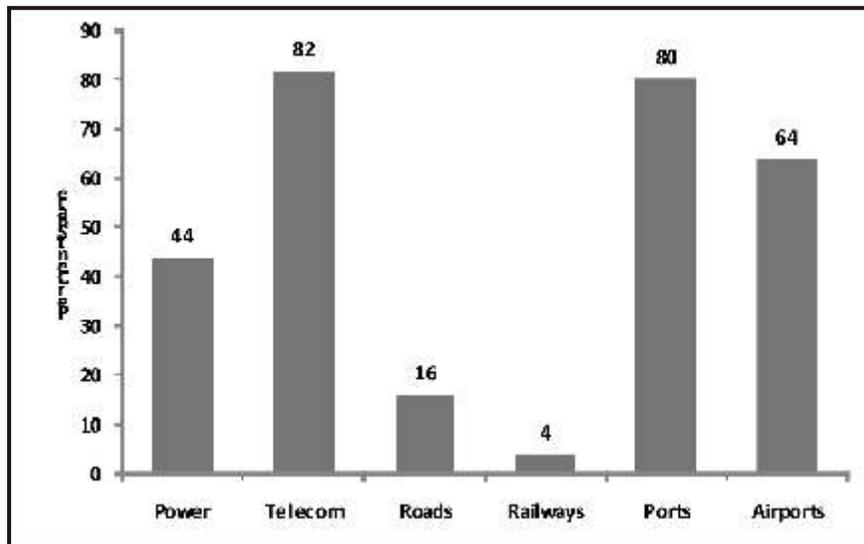
With the objective of stimulating and mobilizing increased private sector investments, either from domestic or foreign avenues, the government has offered various incentives to the infrastructure sector for sustained economic growth. Some of these include<sup>32</sup>:

- Allowing 100% FDI in all infrastructure sectors including roads, power, ports and airports
- 74% investment in telecom services
- 100% in telephone equipments
- 49% to 100% for various services in the aviation sector

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<sup>31</sup> Eleventh Five Year Plan ([www.planningcommission.nic.in](http://www.planningcommission.nic.in))

<sup>32</sup> Presentation of Doubling Investment in Infrastructure for India's 12<sup>th</sup> Five Year Plan by Gajendra Haldea



Share of Private Investments in Different Sector (11<sup>th</sup> Five Year Plan)

937 PPP projects involving a total investment of ₹ 7,16,439 crore have been taken up in the various infrastructure sectors. Out of these 241 projects with an investment of ₹ 66,512 crore have been completed and 292 projects with an investment of ₹ 2,40,040 crore are under implementation. An additional 404 projects involving an investment of ₹ 3,76,429 crore are in the pipeline<sup>33</sup>. The success of PPP projects depends on a conducive policy and regulatory framework. However, several PPP projects have failed in the past due to over estimation of demand for services which in turn has led to overpricing of services by the private sector. Hence, the choice of the parameters that should be used in the estimation of the value for money provided by the project is key to the success of the project and the partnership.

## Conclusion

With fast paced GDP growth in the previous decade, development of infrastructure has not kept pace with demand. Need for integrated

<sup>33</sup> Mid Term review of the Eleventh Five Year Plan

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infrastructure development is evident from the lack of power in large parts of India, inadequate reliable road network and cargo handling delays at ports and airports. While all of these sectors present excellent investment opportunities, we are facing an inflection point today imperative towards moving from 'building infrastructure for the past' which barely meets the need of the hour to 'building for the future' which support the pace of the economic development in our country.

*“We have a large deficit in almost every infrastructure sector whether airports, power, roads, etc. This is an area that needs large amounts of investment, perhaps two, or maybe even three times the amount that is being currently invested each year. Many of the impediments in infrastructure investments are being addressed and India now has telecom as a success story; ports and roads have seen major investment, while airports are an opportunity area, and so is power...”*

- Ratan Tata, Chairman, Tatasons

Are regulations and policies aimed at balanced development of infrastructure to meet the challenges currently faced in accelerating infrastructure development? Are infrastructure projects within the sub-sectors integrated ensuring projects are complimentary to each other? As an administrator, what can be done to increase the efficiency and effectiveness of the implementation process to ensure plans made to solve tomorrow's challenges today are actually addressed today?

*“One of the critical constraints which hold back our growth rate is really the quality of infrastructure. If you compare infrastructure in India with infrastructure in East Asia . . . [our] infrastructure is poorer, and that reflects the fact that we haven't invested nearly as much as we should have in the past several years.”*

- Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India

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Only 31%<sup>34</sup> of the planned infrastructure investment in the 11<sup>th</sup> Five Year Plan is envisaged to be funded through budgetary support, the balance is expected to be financed through the private sector and Internal and Extra Budgetary Resources (IEBR). Private investment in the infrastructure sector in developing countries responds positively to the presence of an effective regulatory framework that provides creditability to such investors. Therefore, designing an effective policy framework and setting up independent regulatory institutions is crucial for attracting private investment, both domestic and foreign. The creation of such regulatory institutions along with legislated private sector participation in the sector is aimed at mitigating risks associated with long-term investment in the Indian infrastructure sector. Have we found the right model to partner with the private sector to realize the infrastructure development dream? Is PPP always the right answer (Bandra Worli Sea Link)? What is the right balance between deregulating sectors to invite private firms and maintaining monopoly and control over the critical areas (Power Grids)? Where required, do policies and regulations as well as fiscal and other incentives promote public – private participation to ensure that there is an increasing interest from private firms? How do we attach a cost to the inconvenience caused to the public and the opportunity lost due to the delays in implementation of project?

If the Central and State Governments remain committed to infrastructure reforms, then the public and private sectors, working in partnership, and in collaboration with development agencies, will definitely be able to bring about significant and sustainable improvements in India's infrastructure in the years ahead.

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<sup>34</sup> Planning Commission of India ([www.planningcommission.nic.in](http://www.planningcommission.nic.in))

Summary of Discussion

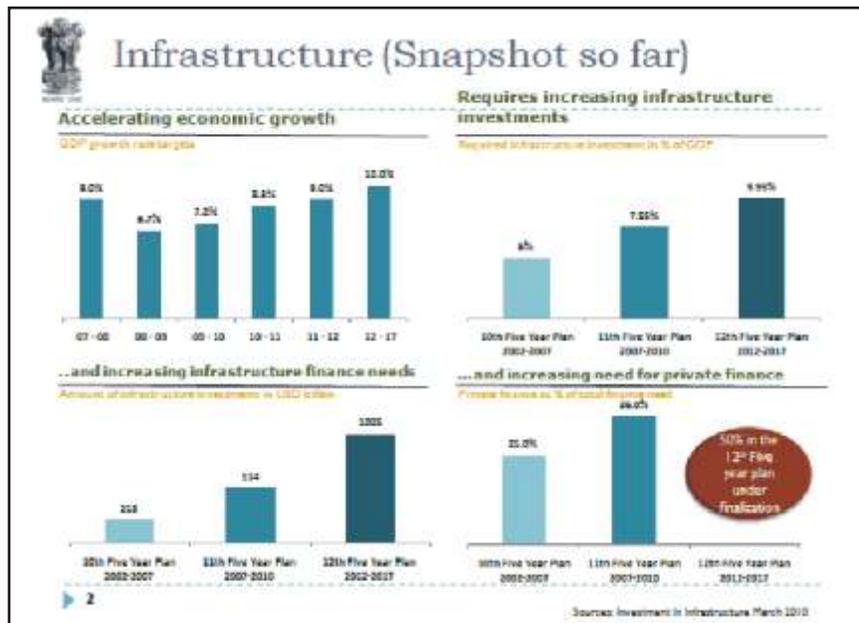
**CIVIL SERVICES DAY**

**Panel Discussion on Challenges of Infrastructure**

April 21, 2011



सत्यमेव जयते





## Challenges in Infrastructure Development



### Challenges

- Issues impeding real sector progress:
  - Land Acquisition
  - Statutory clearances
- Preserving inclusivity of infrastructure development:
  - Rights of affected persons
  - Climate change consideration
  - Need to focus on demand side management, efficiency in use and developing renewable sources of energy
- Capacity Building of both public and private sector officials
  - Strategies for skill developments, specially in construction
- Design of transparent procurement processes:
  - Transparency
  - Competitiveness
  - Equity





## Challenges

- **Financing of Infrastructure**
  - Huge gap of USD 300 billion projected in the XII plan
  - Strategies to bring in more debt capital
- **Need for government agencies to work with an integrated world view :**
  - Example of urban Sector : multiple Agencies at City level for planning and implementation of schemes and programmes
- **Power Sector Reforms :**
  - Need to ensure viability of distribution sector
  - "Willful" and "Defiant" defaulters
- **Impending "flight of capacity" from India to offshore location and implication for competitiveness**

▶ 5



## Strategies for Rapid and Inclusive Infrastructure Development

▶ 6



## Ensuring Transparent Processes

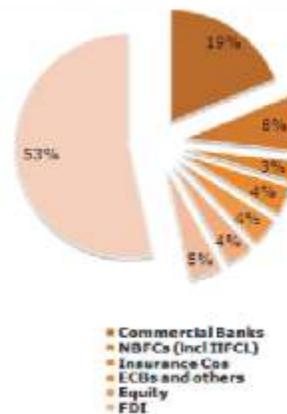
- Existing Procurement methodology includes first come first serve (FCFS), beauty parades, competitive bidding and auctions
- FCFS not recommended in view of inherent limitations of transparency
- Existing Government guidelines prescribe a quality cum cost based (QCBS) or two stage bidding process
- Auctions have the added advantages of extracting "holdback" value and maximizing bidding intensity
- Auctions used successfully in Indian context for bidding for 3G licenses
- Auctions should be explored for others sectors like roads, natural resources and oil/Coal blocks

▶ 7



## Financing of Infrastructure Need

- Commercial Banks are the main stay of debt financing of Infrastructure
- Increasingly Likely to face asset-liability and exposure norms constraints
- "Off shoring" of debt taking place
- Need to Develop indigenous sources of long tenor and large scale debt



▶ 8



## Capacity Building

- Need to develop capacity at the technical level, especially in regulatory authorities
- Skilling required at large scale for construction workers engaged in infrastructure development
- Public Private Partnerships (PPPs) in skill developments essential :
  - Need to sensitize private sector of their vested interest in building public capacity
- Need to create stakeholder awareness for inclusive infrastructure development:
  - Communication Strategies for PPPs can play vital role
- Capacity building for project affected persons to pursue alternative employment opportunities.



## Innovation is the Key

- Design of auction to prevent unreasonable levels of bidding:
  - Award of project to L1/H1 or L2/H2 bids
- Strategies for land acquisition:
  - Compensating PAPs by offering land parcels in adjoining areas
  - "Land Adjustment" model followed in Ahmedabad ring road project
- Development of the debt market:
  - Need to impart vibrancy to the corporate bond market
  - Development of credit risk enhancement instruments, like guarantees, co-financing structures, refinancing of guarantees and other vanilla derivatives
- Development of renewables :
  - Use of "Smart Grid" Technologies to break grid monopoly, e.g. telecom
  - Innovative and carbon efficient coal capture and storage strategies in 2030-2050 time frame





## Conclusion

- Infrastructure development defies easy solutions
  - Conflicts between project development and social/ ecological requirement; financial stability and innovating financing instruments; and, resource constraint and safety considerations.
- The need of the hour is to ensure efficient delivery of services "till the last mile" through optimal utilization of resources while harmonizing conflicts.
- Lateral engagement of multiple stakeholders essential to meeting infrastructure challenges
- Infrastructure a huge challenge as well as opportunity which can not be allowed to slip away
- Civil servants have the primary responsibility of providing the right enabling environment for infrastructure development

▶ 11



**Thank You**

▶ 12

## *Release of Book 'People First'*

**T**he Department of Administrative Reforms and Public Grievances has the mandate of promoting good governance practices in the country. In pursuance of this and in order to promote such practices, the Department documents the initiatives undertaken by officers /organizations/departments individually or in a group placed in different parts of the country in the form of publications. It is in accordance with its mandate that the Department has come out with another compilation of some exemplary initiatives, titled “People First“.



*Shri T.K.A. Nair, Principal Secretary to Prime Minister releasing the Book*

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This compilation of nine initiatives showcases innovations in India that received the Prime Minister's Award for Excellence in Public Administration for the year 2008-09.

Documentation has been planned with methodological vigour and has the authenticity of coming straight from the initiators.

The book is an excellent source for comprehending the dynamics of innovations and management of change.

Seventh in the series, the book highlights the initiatives that have received the Prime Minister's Award for Excellence in Public Administration. The Department of Administrative Reforms and Public Grievances, Government of India, instituted the award in 2005 to boost the morale of civil servants by recognizing their efforts every year.

The book was released by Shri T.K.A. Nair, Principal Secretary to Prime Minister on April 21, 2011 the Sixth Civil Services Day.

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## *Remarks*

Shri K. M. Chandrasekhar  
*Cabinet Secretary*

**F**irst of all, let me thank all of you for having waited here, quite patiently throughout the day, and for having participated so actively in the group discussions that took place, earlier in the morning.

I have heard, listened very carefully to all the presentations made which reflect the kind of discussions that you had and one comes to the conclusion, that



*Cabinet Secretary delivering his Address of Valedictory Session*

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perhaps as civil servants, we all know the problem. We know the end results that we need to achieve, but we are still not too sure about how to get there, and I think these are answers which we need to find ourselves.

I have come across as I mentioned in my introductory speech also, many many instances of very innovative and extremely productive changes that have happened in various sectors over the last four years. I have seen changes, administrative innovations, that have been brought about by officers from various services, and I know that if we give 5 or 6 awards a year, one year I think we even gave up to 12 or 13, there are still a very large number of them which are not recognized for some reason or the other. I do believe that this kind of encouragement of civil servants as a whole should not be limited only to the Central Government. It should extend across to the State Governments and to the ministries, so that innovation and administrative change are encouraged as we go along.

I know there has been a lot of discussion, and the honourable Prime Minister also spent a lot of time on issues relating to transparency and corruption.

It is believed that by creating a few institutions, Lok Pal, Lok Ayukta, etc. we will be able to make some significant changes, but I think there are many other ways in which each of us can make those changes. In the “80s” whenever I came via Mumbai, there used to be Delhi-Mumbai Trivandrum flight and at that time, there used to be a huge gathering of people from the middle east, who would be waiting to get tickets. Now that situation has completely changed, then you had a monopoly of only Indian Airlines, and very limited flights. It has changed because there is more availability now, production has increased. The number of seats available has increased, competition has increased. The same example I think you can extend across the board. Many years ago, we had to pay a premium, wait for months to get a motor car. There used to be only two or three manufacturers and you had to wait for months and you had to pay

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premium to get those things. Again, with the entry of competition, with the increase in production, that has changed.

You look at telecom. To get a telephone, was a great thing and you had to wait for a couple of years before you got a telephone. Today it is freely available and there is a great deal of competition. Tariff rates have come down sharply from where it was. I think it was 17 or 18 ` at one time and now it is about 30 paisa, 40 paisa per minute. So, those changes have taken place and I have come across many examples of very good changes, innovated by our own officers. Last year, I recall we gave an award for an officer, who had introduced generic drugs in a district, purchase of generic drugs at a much lower price, compared to the branded medicine. We saw the changes that have taken place in Government hospitals in Tamil Nadu, where people have actually gone from the private hospitals; they have started preferring Government hospitals. So, I think if each of us, if each Ministry, each State Government, each district can identify some areas, may be even one area each where we propose to change the system like for eg, in the case of railway tickets, where again there were large number of touts in operation or motor vehicle licenses in some state where again great change has taken place, in public distributions system, where the introduction of systems has completely changed the situation in some states, and for which we gave an award last year to Chhattisgarh. So, I think if we are able to identify one or two key areas and keep attaching those areas, try to bring changes in those areas, we are automatically going to make a great perception change within the country, and I would urge all civil servants to reflect on how that can be done. And, the second important area, which I mentioned in my introductory remarks also, is how to address public grievances. We do have the mechanics, but do we spend the time. Because there is a Right to Information Act. We are acting in accordance with that. It has laid down a particular channel through which information can be accessed. Do we have a similar kind of system prevailing for addressing public grievances? Because, wherever grievances are addressed, there again, the problem of public perception is to a great extent changed. So, I thank all of you who participated in these discussions, I hope this will be once more be a starting

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point, for further thinking in the areas of administrative reforms, in the Department of Administrative Reforms and Public Grievances. I hope they will continue with the extremely useful task they are doing of dissemination of best practices and I wish you all the very best in the months and years to come.

Thank you.

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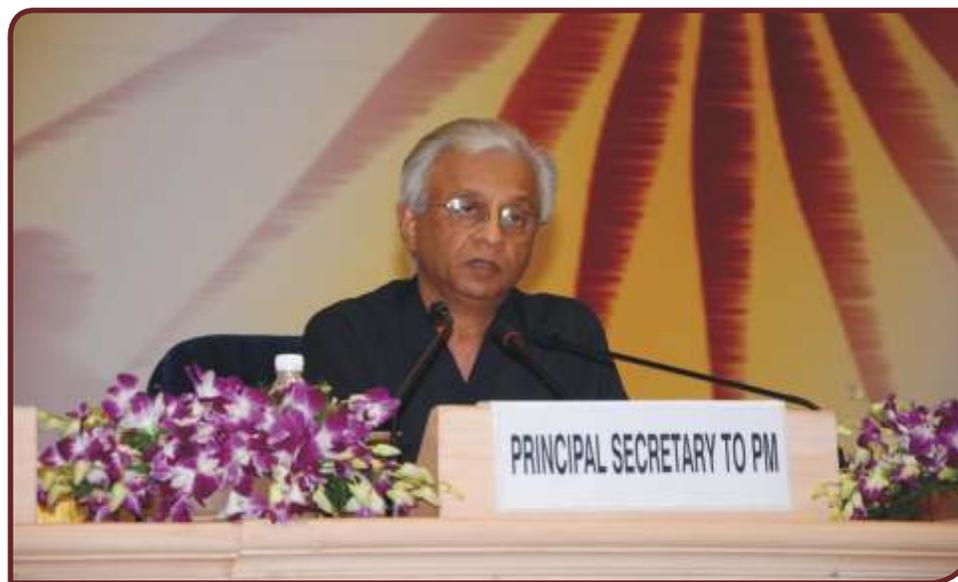
## *Valedictory Address*

Shri T. K. A. Nair

*Principal Secretary to Prime Minister*

**M**y esteemed colleagues, Cabinet Secretary, Secretary Administrative Reforms and Public Grievances, Officers from the Government of India and, State Government as well.

Well, in the morning, we have had the privilege of listening to the Prime Minister expressing his concerns and thoughts on the day, when we are observing the Civil Services Day. As most of us know, this practice we started 5-6 years back. I have had the privilege of participating or attending all these. On



*Shri T K A Nair, Principal Secretary to Prime Minister delivering his Valedictory Address*

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a personal note, as you grow older, perhaps you get more confused or concerned about what we are trying to achieve, because what we are trying to achieve, for good reasons, changes from time to time. We are not dealing in static, we are not working in a static polity. Indian Society particularly is moving fast, in many directions. Some of them are we may find to our own taste, some others may not be so. The fact remains that we are living times of tremendous changes in every aspect of human life. Those changes, profound as they are affect administration, which I believe is an essential ingredient for a sub-set of the general polity. We can not have a system of administration which is removed from realities around us, which is subsystem of a larger system of governance. The political system also is not removed from the society from which it emanates, of which it is a part.

Indian society is undergoing tremendous changes. The great, unprecedented changes in the dissemination of information, this knowledge society in which we live, and has opened up innumerable opportunities and tremendous challenges about which we still are perhaps not fully aware. Attention of the media is something about which I constantly think. Well needless I to say, we are not, I believe up to, I do not know how to put it, use it to the advantages of society. We often at times are as spectators. We have our own ways, our own thoughts, but the power of the media, how we can use it to the best advantages of society, I think that is something civil servants particularly, I believe should ponder over perhaps. If in your wisdom, you think it appropriate to devote, you know couple of hours, next time when we meet, on the Civil Services Day, might be appropriate because I sincerely believe that the power of the media is immense and we are unable to garner that, we are unable to make use of for the good of society. Let me congratulate those three officers who made the presentations on three important aspects of governance, which are very, very crucial, very important from the point of view, of governance, the first one on transparency and ethics in governance, something about which the Prime Minister himself made some observations in his inaugural address. Cabinet Secretary mentioned, and I think all of us are aware, of what it is all about. We may not be able to give concrete expressions to our own beliefs, or own

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thoughts, or our own ideas, but we all have a general feeling that, there is something which is perhaps not very happy, which is happening around us. We have different perceptions about it. I am quite sure, civil servants as a class, may have some ideas about it. The civil society will have its own perceptions about it, but let us be realistic about it; there is a wide spread belief. Right or wrong I do not know, I have not made a study on that. The general perception is that there is quite a lot wanting in the civil servants.

Let us talk about ourselves. Prevention may be right, it may be wrong, but there is a perception, I think we cannot run away from that fact. We may, based again on our own experience, think in terms of addressing that. Most of the time we are unable to do anything concrete, anything big, but as the Cabinet Secretary was mentioning, while quoting innumerable instances of excellence, exhibited by officers, working in different parts of the country. While we may not be able to change the whole system, while we may not be able to make a revolutionary change in the way in which governance is conducted in this country, I believe, civil servants still, they can on limited skills contribute something which could change the general perception of the public about civil service on the one hand and the general cynicism about, I mean, about government as a whole, and , all of you particularly those who have had the opportunity of working in the states at the field level, for reasonable time have come across many such instances, and not those which attract greater attention. Opportunities are galore, even today, with the normal limitations. I believe as Mr. Chandrasekhar was mentioning that many of us, if not all of us would have ample opportunities to do something worthwhile, which could be emulated by others, and which could to a very small extent change the lives of people, at least some people for the better, and which contribute to a better understanding of the good, which the government and civil servants can perform. Looking at the presentations and also the way in which the function, particularly the areas in which government of India lays down policies, I have been feeling that though, occasionally we say that these “one size fits all” programmes and schemes, are not very appropriate, in actual practice, I am afraid we do pretty little to change that.

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Many of the innovations about which the Cabinet Secretary mentioned, many of the innovations which you may be able to know, either to promote or to implement they may be very small, very local, but if they have to be subsumed under the general schemes of the Government of India, they are area specific. I mean, for the country as a whole whether it is rural employment guarantee scheme or rural health scheme, or any other scheme. Most of the time we tend to overlook regional variations. We tend to overlook the fact that the requirement of people living in different parts of the country are very diverse. Often times, we have a tendency to over- regulate, you know, to go into the nitty-gritty of this that and the other and then convey them to persons, who are in charge of implementing them, state governments and from the state governments to the next tier of governance, and ultimately I have seen in many instances problems relating to the inadequacy of a particular government of India scheme to address the problem of given areas come up, and then they change their scheme we know. In practice is going to be very difficult, it eggs you sometimes to change a scheme which has been approved, may be at the level of the cabinet, may be at some other level in government of India. So , particularly for those of us, who have roots in the stated, who have had the experience of working at the grass root level, when we come to decision making levels in government of India, I believe we should be very conscious of this, and we should in our own way, to the best of our aloility mould the schemes and programmes in such way as to provide for these diversities in effect there should be enough of flexibility built in to these schemes.

Well, friends as it was made out in the presentations, I come with a number of reasons, practical considerations including public-private partnerships in providing services, in implementing schemes has become quite common, it is a reality. Inadequate experience in convening and implementing public schemes under the public-private partnership. Some names, accusations are not against those who put together those schemes, against those who implement it.

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Therefore, to my mind, it is very necessary that you know in the different areas of governance, where public-private partnerships are becoming common. I thought about some time also imparting training the officers in various aspects of evolving and implementing public partnership schemes. I think there are some training programmes which are addressing those issues also but, at the state level also, I mean attention has got to be paid, I am talking about based on my very real experience, I may be wrong, but the impression I gather is that at the state level, when more & more public-private partnership schemes are, you know becoming the order of the day, it is important that the officers are trained for that and the necessary atmosphere is created for it.

Well, friends, I have no particular comments to make on the three presentations that you have made, except that they brought before you different aspects of those three specific areas and I congratulate those who co-ordinated the discussions and also those who participated in them.

Let me make one more general observation before I thank you and the Cabinet Secretary, and the Secretary. These state of reforms were giving me this opportunity and that is very general point, largely based on experience, and perhaps old-age. But its very easy, or it is easier for governments, institutions to make schemes, put together programmes, but believe me, whatever be the programme, whatever are the components of it, whatever are the objectives of the schemes, ultimately their success or failure depends upon you and me, depends upon those who implement them. In my mind even today, in spite of the severe criticism day in and day out, that we have to face, being in the civil service, definitely we still have a role to play, a very constructive role to play. I am the first to concede that the role of the civil servants over a period of time has become more and more difficult. Let us also be honest that at times, we face real problems, real practical problems, there have been instances of. In this room I do not mind saying that we are all civil servants. Civil servants, you know under enquiries that are not concluded, which means a lot of harassment. At the same time, there are any number of instances when you know disciplinary proceedings take years and years on account of again you forgive me when I say

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this, delaying tactics. The net result is that there is lack of confidence in the general public about the systems and procedures in place. We are all civil servants; we enjoy the protection of Article 311 of the constitution. There is a growing feeling, I am sure you are also aware of it that it provides too much of protection and it is time that we make changes in order, you know in order to use this extra layer of protection which is enjoyed by the civil servants. To my mind, that points to the general feeling of dissatisfaction, disenchantment with the working of the civil services. But friends we still do have a big role to play in the governance of this country let us be honest and admit it. But, increasingly paying the toll is becoming difficult. And that is the challenge. The new generation of civil servants are more equipped, I sincerely believe than the older generation, and therefore, you are up to the challenge. The challenges are more serious and the people who are now coming in, are more equipped to meet those challenges so, let us together hope and pray, that we civil servants, as a whole would realize our responsibilities, will give due and utmost consideration to the well being of the people whom we are supposed to serve, and as a group live up to the expectations of the people and hopefully in the next years to come, regain a position of real respect, of dignity which the civil servants amply enjoyed not too long ago.

Thank you very much.

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## *Vote of Thanks*

Dr Amitabh Rajan  
*Additional Secretary (AR&PG)*

**P**rincipal Secretary to the Prime Minister, Cabinet Secretary, Secretary, Administrative Reforms and Public Grievances, ladies and gentlemen.

On behalf of the Department of Administrative Reforms and Public Grievances, I express my gratitude to the Principal Secretary to PM, for the valedictory address and release of the book.



*Dr Amitabh Rajan, Additional Secretary (AR & PG) proposing a Vote of Thanks*

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We thank the Deputy Chairman, Planning Commission for enlightening us on issues of significance.

In the planning of Civil Services Day, my department has immensely benefitted from the insights of the Cabinet Secretary. We are grateful to him for his support in all the initiatives and endeavors of the department.

In organizing the Civil Services Day, we acknowledge the stewardship from the Secretary of our Department.

The officials of the Department of Administrative Reforms and Public Grievances deserve to be complemented for the systematic execution of the event.

We owe special gratitude to the officials of the ITDC, CPWD, Vigyan Bhawan and the NIC for their efficiency and co-operation. The members of the media have shown interest in covering the event. We thank them for their solidarity.

Our honoured guests have contributed through intellect, experience and commitment. We shall always remember this.

Thanks to all of you, ladies and gentlemen for joining us in the memorable journey of statecraft.

Thank you, thank you all.

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