
PRESENTATION ON BEST PRACTICES

Opening Remarks

Shri B. K. Chaturvedi
Cabinet Secretary

Principal Secretary to the Prime Minister, Mr. Nair; Smt. Rajni Razdan, Secretary, Department of Administrative Reforms and Public Grievances; Secretary, Department of Personnel and Training, Mr. Mishra; my colleagues. The session today, in the morning for about an hour and a half would be devoted to giving you preview of some of the Best Practices which we have identified. The exercise began last year by Department of Administrative Reforms and Public Grievances by inviting suggestions from all over the country. We have got more than 200 suggestions and then based on it, since a number of them did not fulfill the norms, they identified more than 90 such entries. These were then scrutinized by the ASCI, which is Administrative Staff College of India and the Department of Administrative Reforms and Public Grievances jointly and then a team went round the country to see on the spot various Best Practices, which had come up for Award and based on it, they identified nearly a dozen best practices, which they felt were all excellent. And all of them deserved to be considered somewhat for the final rounds. These were then again considered by a Committee under Secretary, Department of Personnel & Training and they identified a couple of them and then based on it we have identified two Best Practices which later in the day, the Prime Minister would be honouring with the Prime Minister's Award.

But, today in the morning session, we thought that we must have a preview of some of the other Best Practices, apart from those which have come up for these awards. So we plan to have four to five -depending on the time available with us- as a preview of those Best Practices. The intention is that all those who have worked for these and for bringing about changes in the governance structure, must be recognized at this forum.

Also the intention is that we continue to promote excellence in all fields of governance. In the field of policing, in the field of administrative reforms, in the field of railways, in the field of administration, we must try and recognize and promote excellence. These two awards just represent a beginning and we hope that in the coming years, we would be able to identify more such Best Practices, which others can learn from. As you see these, my suggestion is that please do not see them as something, which is to be seen and forgotten. Yesterday, at the Chief Secretaries Conference, this issue had come up and it hit all of us that quite often the approach is to see these and see these in isolation. So please see these and then consider what part of it you can usefully make a part of your governance structure and what you feel is not relevant to you. And if all of it is done, then I am sure, we will be able to improve our structure of governance in a very fine manner.

I can only give one example, which was given yesterday when an analysis was made by the Department of Personnel & Training. They said that India today ranks 134 in a nation of 175 for doing best practices in business. Now in case -leave alone the rest of the world- in case the States were to identify some of the best practices, which are prevalent in other

States, our rank will go up from 134th to 79th. This only illustrates that we do not have to go very far for improving our governance structures. We have only to see within our own country and move forward.

With these few words, I request the presenters to kindly take up the presentation of these best practices, one by one. Thank you, very much.

Communitization: Improving Public Services

Shri R.S. Pandey, Secretary, Ministry of Steel, Government of India













Bhoomi: Online Delivery of land records in Karnataka

Shri Rajiv Chawla, Secretary (e-Governance), Government of Karnataka

















Public Transport System at Indore

Shri Vivek Aggarwal, Collector, Indore



































The Gujarat Earthquake Reconstruction Experience

*Dr. P.K. Mishra, Secretary, Department of Agriculture and Cooperation,
Government of India*































Asraya: A Community based initiative in Kerala to remove destitution

Shri S.M. Vijayanand, Principal Secretary, Department of Local Self Government, Kerala

























Welcome Address

Shri B. K. Chaturvedi
Cabinet Secretary

Respected Prime Minister; Hon'ble Minister for Personnel, Public Grievances & Pensions, Principal Secretary to Prime Minister; Secretary, Administrative Reforms & Public Grievances; friends and colleagues – Very good morning to everyone. I do feel very privileged in extending to you, Sir, and to all others present a very warm welcome and hope that the deliberations during the day would be fruitful.



Cabinet Secretary delivering the Welcome Address

Sir, we are indeed very honoured to have you here with us. You had, Sir, inaugurated the Civil Service Day last year and given much life to the ideas associated with this occasion. By the personal example as you all know, the Prime Minister has kept us alive to the highest standards of duty, work, service and integrity. We are in various cadres and spheres of public service and the 21st April is marked as a Day for re-dedication, reflection, renewal and our commitment to excellence. It was on this day the 21st April, 1947-48, when Sardar Patel addressed the probationers of the new All India Administrative Service at Delhi's Metcalfe House and there he spoke of rectitude, impartiality, incorruptibility and *spirit de corps*. A copy of the speech has been circulated with the material given by the Department of Administrative Reforms and you will appreciate that the words of the Sardar on mission and motivation, duty and public good still hold good as they did sixty years ago.

Of course, the challenge remains. The momentum for our effort comes from the pursuit of excellence in public service. Some of these areas which, however, have to be basics to this concept are- First, the primacy of the rule of law, compliance, enforcement and promoting public confidence in the objectivity and effectiveness of the Government institutions. Second, the promotion of modern system for good governance including the application of modern technologies and e-governance initiatives. Thirdly, simplifying procedures, both for delivery of public service to the common man and for reducing the hassels. Fourth, improving the quality of implementation for the national socio-economic infrastructure and development programmes. Fifth, the accountability of government functionaries, whether through tenure security or otherwise; and last and a very important component- elimination of corruption and corrupt practices in all forms.

Sir, it is these fundamentals that have to be given impetus and on this many of our colleagues in this hall are working to translate ideas into concrete action. A conscious effort has to be made by us to identify better ways now for doing things, apply some of the best practices and devise ways and means for their consolidation and wider dissemination.

Mr. Prime Minister Sir, the Exhibition outside the Plenary hall, just visited by you exemplifies some of the innovations being implemented in the States, these best practices have been identified on the basis of what works and their amenability to being replicable under field and other working conditions.

Sir, in this connection I would particularly acknowledge the presence here of the State Chief Secretaries and the District Collectors with whom I spent some very constructive time at the Chief Secretaries Conference yesterday. As we reflect on these changes, we need to constantly ask ourselves whether the effort is leading to a perceptible change; are we making a difference and what can we do further. It is in this light that the institution of the Prime Minister's Award has to be seen.

Today we will acknowledge the work of two of our colleagues. I know there are many in this gathering today who have transformed things around them for the better, benefiting thousands. This needs to be recognized more fully. It is good that we have made a beginning today. The need to force change is reflective of the need to ensure that the reforms do not get handicapped by a business as usual temper of work.

In this connection, I would like to draw your attention to a recent report from the World Bank – 'Doing Business 2007 and How to Reform' – which measures and ranks the countries on the basis of the regulations that enhance business activity and those that constrain it. The indicators pertain to starting a business dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes and trading across borders. This report in the ranking on the ease of doing business in India puts us at 134 in 175 countries. It takes an average of 1420 days to enforce contracts in India with a total of 56 procedures and ten years to close a business in India. It is clear that a long road remains to be traveled. In many ways unless we stop it decisively, we would continue to have business as usual, an approach which cannot be accepted by us and by the beneficiary citizens.

Sir, the silver lining in our promise today is the import of technology- the information technology. It would be appropriate for us, therefore, to draw this strength to transform the public service delivery system for the benefit of the common man. It will also be an opportunity for us to re-engineer government business processes so as to remove the clutter and the discretionary modes which tend to frustrate the citizens and they become breeding grounds for corruption. E-governance plan encompasses schemes for the creation of common infrastructure and delivery of various services to all those living in the remotest areas. The setting up of a wide area network and around 100,000 common service centres at the village level - one in every sixth village - is planned and it is hoped to be done, we understand, by the middle of next year. We hope that this will provide an infrastructure for us to launch the services which we plan to have in the rural areas.

Friends, an important dimension in this regard is to move on a premise of trust and faith across the table or counter. The technology has made this possible because of its conduciveness to transparency and accountability. Wider application of technology has the potential to trigger shifts in the conventional orientation of routine administrative functioning often rooted in mistrust and misgiving.

While we make these changes, a more conscious effort is needed to involve the citizens and the voluntary sector in our efforts in the interest of augmenting accountability. Among the factors responsible for corruption, is a very low level of transparency some times in our functioning. Citizen's evaluation mechanism therefore, needs to be institutionalized including social audit, monitored by user groups. Citizens' report card and evaluation for carrying out improvement as well as for wider credibility, it is very important that the implementation of Government programmes and services be appraised by independent agencies.

Sir, I must say that I am very happy to see today the Central Government, as is well represented here by the Secretaries of various Departments by people from the Police forces, from the Railways and from a host of other Departments, the Chief Secretaries and the young District Collectors.

Sir, it is in the State where the actual work takes place. We will all have an occasion to interact during the later part of the day during the panel discussions on issues, which I have mentioned briefly here.

Sir, I must particularly say thank you to my friends from the Press for being here and helping us to carry out our message across.

Colleagues, the Prime Minister's presence here on Civil Service Day is indeed of the utmost significance for us. He has motivated us towards achieving excellence in governance. Our effort has been to do our best to generate a culture of administration and governance that is perceived not only as efficient, but which is seen as citizen-friendly and caring.

Let me conclude by saying that we indeed feel very honoured, Sir, and very privileged by your presence on this day and look forward to your continuous guidance. Thank you.

Address

Shri Suresh Pachouri

Minister of State for Personnel, Public Grievances and Pensions

I have great pleasure in joining you this morning at the inaugural session of the Second Civil Services Day. First, let me, on my own behalf, on behalf of Ministry of Personnel and indeed on behalf of all of you, sincerely thank the Hon'ble Prime Minister for accepting our invitation to inaugurate this function. Dr. Manmohan Singhji, has himself been a very distinguished civil servant known for his impeccable integrity, impartiality, farsightedness, humility and humane approach. His presence, today, at this meet, will certainly motivate and re-energise civil servants to work with a missionary zeal in building India of our dreams, India of 21st century, a prosperous, humane and caring India.



MoS (PP) delivering his Address

Friends, in the last few decades, profound and fundamental changes have taken place in virtually every sphere of human activity and these changes call for much wider and deeper reforms, than ever made in past, not only in our administrative system but also in the thinking of civil servants. The UPA Government has been fully conscious of the pressing

need for major administrative reforms in our administrative set up to orient it to the changing needs and rising aspirations of our people. The Second Administrative Reforms Commission was, accordingly, set up by the Government to prepare a detailed blue-print for revamping the administrative system. The Commission has already submitted four reports and we expect the Commission to complete its work within the next few months.

The Ministry of Personnel, in the meantime, has been taking necessary measures to prepare civil servants to meet the new and emerging challenges and equip them to perform more efficiently in the new environment. A need for linking rewards with the performance has long been felt. As early as in November, 1984, our late Prime Minister, Shri Rajiv Gandhi in his broadcast to the Nation had underlined this need and I quote his words.

“Our administrative system must become more goal-oriented. A new work-ethic, a new work culture must be evolved in which Government is result-bound and not procedure-bound. Reward and punishment must be related to performance.”
Unquote.

I am happy to inform you that a major initiative towards linking performance with rewards has recently been taken with the notification of All India Services (Performance Appraisal Report) Rules, 2007. The new Performance Appraisal System requires performance and attributes of the officers to be graded across 16 parameters on a one to ten scale. The rules further stipulate full disclosure of the assessment made with a provision for appeal if the performance of the officer is rated below the benchmark, fixed at 7. Empanelments, hereafter, would be based on the assessments so made. I hope the new system would lead to a more objective assessment of the performance and capabilities of the officers and will go a long way in improving the work culture in our offices.

Capacity building of civil servants is the other focus area of our Government. We have been laying great emphasis on capacity building of civil servants to enable them effectively meet new and emerging challenges. Apart from number of capacity building programmes for civil servants conducted by our training institutions, the Government is also sending about 450 officers each year for various long-term and short-term training programmes in prestigious foreign universities and capacity building centres abroad. In addition, a scheme for partial funding is also in operation to enable civil servants to get specialized training in areas of their choice. A foreign training component has also been added to Government sponsored training programmes being conducted by IIPA, TERI, IIM, Bangalore and MDI, Gurgaon. Mandatory mid-career programmes for IAS officers have also been introduced at three more levels in their career. They are now required to undergo 8 week training between 7th and 9th year of service, another 8 week between the 14th and 16th year of service and a programme of four weeks between 24th and 28th years of service. These training programmes have been made a necessary condition for promotion. These mandatory training programmes have already begun. In fact, a training programme for officers with 14-16 years of service is beginning at Lal Bahadur Shastri National Academy of Administration, Mussoorie from tomorrow.

We are proud of the contribution made by our civil services in building modern India. We, however, recognize, that a willing, motivated and inspired civil service is sine-

qua-non for good governance. To enhance motivation of our civil services, we have taken certain major initiatives. Cadre reviews have been done for a number of services and promotional prospects improved. A long standing demand of All India Services for providing minimum fixed tenure to its officers has been accepted. Accelerated empanelment of IAS officers at the levels of Joint Secretary and Additional Secretary which was earlier being done and nearly two batches are now being empanelled every year. As a result, empanelment of officers at the level of Joint Secretary which was earlier being done only after 21-22 years of service is now being done after 19 years of service. Empanelment of other services has also been placed on fast track by taking up two or three batches together for empanelment. Prime Minister Awards for excellence in public administration have been instituted to recognize extraordinary and innovative work done by the Civil Servants and I am very happy that the first of these Awards will be given today by the Hon'ble Prime Minister himself.

We have been conscious of the special problem being faced by All India Services Officers serving in the North-East Cadre and have accordingly worked out a special package of incentives for them. All India Services Officers serving in the North-East are now entitled to Annual Home Travel concession by Air and the Government will also reimburse the cost of education of their children. Lady officers serving in the North-East have been allowed to use army/cantonment hospitals at prescribed rates. Lady officers have further been permitted to go on inter-cadre deputation after six years of service and the deputation period for them has also been extended to 9 years. The period of stay in the north-east will be considered a positive factor for empanelment. Incentives have also been given for officers willing to go on deputation/inter-cadre transfer to the North-East.

I am also very happy to note that Ministry of Personnel has taken the lead in developing appropriate mechanism for improving delivery of service and fostering transparency in the administrative structure. Sevottam Model has been developed by it to benchmark excellence in service delivery. This Model lays emphasis on effective citizen charter implementation, public grievances redressal and enhancement of the capacity of service delivery. The Government is also focusing on further enhancing e-governance to improve service delivery and a National e-Governance Plan has been formulated. Right to Information Act is yet another major initiative of the Government which is proving an effective instrument in ensuring transparency in public administration.

'Best Practices', as you may be aware, is the theme for this Civil Services Day. Identification, collection, documentation, development and dissemination of Best Practices is an important component of Government process re-engineering and I would like to compliment officers of the Ministry of Personnel for organizing a series of presentation on 'Best Practices'. The Ministry has also compiled these 'Best Practices' and published them in the form of a book titled "Learn From Them". It is a matter of great pride for all of us that the Hon'ble Prime Minister himself will release this publication in a short-while from now.

Friends, In a democratic Government, interests of the common man must always be kept in view while formulating policies or taking decisions. I recall the advice given to Civil Servants by our late Prime Minister Smt. Indira Gandhiji while addressing the Conference of Chief Secretaries' on May 7, 1976. She said and I quote her words –

“It is important that all Government functionaries should speak in the language of the people. By ‘language’ I don’t mean the words of the grammar, but I mean an attitude which understands the people’s point of view. And all Government officials must be approachable and must be able to convey to the people what the Government is trying to do” -Unquote.

With these words, I wish the deliberation all success.

Thank you.

Address

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

I am delighted to be here again at the second Civil Services Day. I am happy that officers from across the country have been invited to this event. I compliment the Cabinet Secretary and his colleagues for taking steps to raise the elan and morale of the civil services and for organising conferences of this nature for reflecting on the immediate and long term challenges which the bureaucracy has to address if it has to continue to be relevant to the process of nation-building.

I have often said that the future of India is undoubtedly bright. If we look back on the progress we have made in the last fifty years, we can take pride in the positive developments that have happened in many fields. However, the problems of chronic poverty, ignorance and disease still continue to haunt millions of our citizens. We need to work hard and work fast to ensure that we are able to eradicate these age old scourges. And the major obligation of doing so will continue to vest in the government in the coming years.



Prime Minister lighting the lamp

Fortunately, the economic reforms that have been ushered in over the past two decades have created the conditions for sustained and rapid economic growth - conditions which give full play to the enterprise and creativity of our citizens. At the same time, it is this economic growth that has provided governments across the country the necessary resources to tackle the problem of under-development. We are utilising this opportunity to make unprecedented advances, investments in the social sectors - investments which will ultimately empower our people to become active and effective partners in processes of development.

The world today looks in wonder at the economic transformation taking place in the country. There is a consensus across the globe that India will be among the top three or four economies of the world by 2025. The real question then is - can we do it? Can we live up to the expectations that have been raised? I am convinced that there are no binding constraints on achieving our objectives. If at all there are constraints or bottlenecks, they are all within our economy and polity. They are all domestic in nature. And it is up to all of us in government to deliver this vision of a prosperous, progressive, inclusive nation.

It is important that we recognise the continuing centrality of government in a wide range of activities and functions. And the way governments are organised and function can be a constraint on achieving our goals. Effective and efficient institutions form the backbone of a successful development and governance process. The founding fathers had the foresight to create the necessary institutional framework which has brought us thus far. We need to think whether this framework is adequate in the years to come; whether past modes of functioning will address the demands of the future in fast changing world; whether skills and capabilities that were relevant in the past have outlived their utility? It is only by asking and answering these questions will we be able to identify institutional reforms which will meet the needs of our times.

One of the basic elements of our governance architecture is the presence of an impartial, honest, efficient and fearless civil service. Be it the All India Services or the other Civil Services. They form the permanent structure and backbone of administration. While each performs specific functions, they all have a common ethos and value system. The Civil Services in India still attract good talent. For this reason civil servants still do command respect from the public at large. The challenge before us is to change the role of civil servants in society, without diluting quality and commitment to national goals and concern for standards and retaining the regard of society.

The All India Services in particular, have to preserve their "all India" character. They need to carry grassroots experience to the Centre and a national perspective to the States. They need to play a unifying role even while serving in states. They have a duty to ensure that national goals and objectives are kept in mind while acting at the state level. India was designed by the founding fathers of our Republic to be one large common market of people and goods. Nothing should be done to erode the cohesion of our country. In an era when our polity is getting increasingly fragmented, the responsibility on the All India Services of maintaining a national outlook has definitely increased and not diminished.

At the same time, the context in which all the Civil Services are functioning has also been changing. Rapid economic growth has led to a manifold increase in the quantum of work. Performance expectations have increased in terms of both speed and quality. The Government is no longer seen merely as a law enforcer or a controller of national resources. It is increasingly viewed as a provider - albeit an efficient provider - of basic services and public goods. People expect the Government to facilitate growth and development. In this context, civil servants have to shift from being controllers to facilitators and from being providers to enablers. They need to equip themselves with the necessary skills and capabilities to meet these new challenges. They need to master new technologies and new styles of functioning.

Civil servants have on a number of occasions risen beyond routine expectations and beliefs. They have innovated and endeavoured to bring in change in their domain of functioning to make lives of people more comfortable or the government more responsive to the felt needs of our people. To sustain and enhance the innovative spirit, it is necessary to encourage and motivate such behaviour. I am, therefore, happy to see that one such mechanism for motivation has been introduced this year in the form of our Civil Service Awards. I congratulate the two distinguished awardees. I am delighted that the awardees have been recognised for their contribution to the welfare of our citizens. That, after all, must be and is a core function of Government in a democracy.



Prime Minister addressing the delegates

At the same time, I recognise that working conditions for civil servants have become perhaps more demanding. Given the challenges and the changing circumstances, we need to

take steps to improve their capabilities and maintain simultaneously their morale. As far as capabilities are concerned, we are investing heavily in the continuous training of all our civil servants. A mandatory mid-term Career Training Programme has been introduced. This is essential if civil servants have to remain at the cutting edges of modern administrative practices. Police and revenue personnel in particular need to master new techniques of white collar crime and tax evasion.

On the morale front, we are trying to make it easier for the honest and motivated among you to be duly recognised and rewarded while the dishonest are punished. I must however recognise that there is a problem here and we have to devise new ways and means of sustaining the morale and providing all possible protection to all honest civil servants. We have already brought out far-reaching changes in Performance Appraisal formats for officers. We have introduced a special dispensation to improve the working conditions of officers in the North-East. The Government will also recognise and reward dedicated and committed officers serving in remote areas and among disadvantaged and backward communities. As a Government committed to appropriate affirmative action for all disadvantaged sections, we will ensure that Constitutional commitments are fulfilled and that women and minorities in particular are properly represented at all levels in Government. Civil servants should be particularly sensitive to the concerns of weaker sections, particularly scheduled castes, scheduled tribes, minorities and women and children. As more and more women join our Civil Services, we must pay special attention to improving work practices and administrative procedures which take into account their special problems involving twin roles as active members of the labour force as well as home makers.

This brings me to the more fundamental question. Are all these measures only a tinkering at the edges? While all these measures will improve the performance of the existing systems and institutions, they still beg the fundamental question - are existing systems themselves adequate? We need to think 20 - 30 years into the future and design systems, structures and procedures which are robust enough to deliver results far into the future. I already see the stress and strain in many areas of governance and wonder how much longer a creaking system can go on. While economic reforms abolished the License Raj, complaints of Inspector Raj persist - in fact, they may be getting louder.

It is in this context that 'reform of government' becomes relevant. 'Administrative Reforms' is a phrase that has been used widely to mean many things. It is used by some to mean change of any kind to deal with government problems of any description. Some regard "administrative reform" merely as a means of "making the government work" better. Others in fact see 'reform' as "less government". I view the reform of government as a means of making citizens central to all government activities and concerns and reorganising government to effectively address the concerns of the common people. This requires "out of the box" thinking. It requires innovative thought backed up by a mechanism to implement new ideas. We live in a world characterised by unprecedented social, economic and technological change. An efficient management of change should be a key concern of a dynamic and well functioning system of public administration.

It is in this context that we have set up an Administrative Reforms Commission and are committed to early implementation of its recommendations. The ARC's terms of

reference reveal a shift from traditional public administration concerns to more citizen centric governance concerns. A Group of Ministers has been set up to monitor their implementation and the Cabinet Secretary is monitoring steps being taken. I hope that this initiative will fetch results sooner rather than later.

Very often, the most difficult area of reform in government is process and procedural reform. No amount of investment in capabilities and technologies can improve performance and service delivery beyond a point if we continue to be prisoners of archaic procedures and processes. Often, policy reform measures do not deliver the desired outcomes because of lack of forward movement in reform of government processes. This is after all, what gives rise to the so-called Inspector Raj. This is what makes the interface of a common citizen with government a cumbersome and daunting affair. This is often the root cause of corruption as well. When I meet individuals or industrialists, it is this aspect of government which is crying out for change.

Such reform is of course time-consuming and requires sustained effort based on close interaction with all stakeholders. It is not amenable to instant solutions. We need to devise an institutionalised way of enabling such reform. We need to design ways in which we can re-engineer government processes - just as our private sector has re-engineered itself to become world class. I believe that the Cabinet Secretary has discussed this matter with Chief Secretaries and a proposal is being prepared for appointing "Agents of Change" who would catalyse process reform initiatives. These "Agents of Change" would be public oriented personnel of outstanding calibre and would be strategically located to engineer reform. They would be free from departmental baggage and work on a full time basis within the system to deliver results. I am hopeful that once this mechanism of "Agents of Change" takes shape, we will be able to see visible results in a reasonably short period of time.

Even as governmental systems undergo change, greater challenges await us as a country in the development and harnessing of the world's largest human resource pool. It is estimated that about half of our population is less than 30 years old and that situation may prevail for another 35 to 40 years. This is indeed a point of significant importance for any nation. The potential of a "young nation" in a fiercely competitive world can be awesome. But the potential would remain a potential if the nation fails in realising its true worth.

This human resource challenge of the country is multifaceted and would require imaginative policy initiatives, thorough planning, and proper implementation. These governance and human resource challenges would demand transformational changes in the machinery of government as well as in the work-style and orientation of government officials. It would require unprecedented managerial capabilities across all levels of government. Our Civil Services have to play an enlightened role in bringing about this kind of transformational change. One would have to be intuitive about the present without being constrained by the existing systems. Familiarity should act as a facilitator for change rather than of being a hindrance.

I would think that in this sixtieth year of our Independence, our Civil Service should take on this challenge of improved governance and human resource development, aimed at

transforming our country's economy and polity. I am happy to note that you would be discussing and debating some of these issues during the later half of the day.

The Civil Service is a professional service and forms the backbone of our governance structure. It must remain politically neutral and professionally competent. It must also aim to maintain the highest standards of personal integrity and probity. It must remain, as I said earlier, faithful and loyal to the value system for nation building as enshrined in our Constitution and which is also part of the glorious legacy of our freedom struggle. I sincerely hope we can root out corruption in the civil service and raise the morale of our officers so that they can give their very best to our country. Senior civil servants have a special responsibility to promote a culture of excellence, probity in public conduct and concern for social equity.

With these words, I wish you all the best in your endeavours. God bless you!"

Vote of Thanks

Smt. Rajni Razdan

Secretary, Deptt. of Administrative Reforms, Public Grievances & Pensions

Hon'ble Prime Minister; Hon'ble Minister of State for Personnel, Public Grievances & Pensions; Cabinet Secretary; Principal Secretary to the Prime Minister; Secretaries and Chief Secretaries; Winners of Prime Minister's Award; Distinguished guests; Media representatives; Participants; Ladies and gentlemen

It is a great honour and privilege to be called upon to propose a Vote of Thanks to our Hon'ble Prime Minister who has always accorded top priority to reform initiatives. His presence today is a great source of motivation to us. We are extremely grateful to him to have acceded to our request for inaugurating the event and giving away the Prime Minister's Award for Excellence in Public Administration. I, on behalf of the representatives of all the services and on my behalf, extend our grateful thanks to him for his encouragement. I assure you Sir, that all the civil servants will join hands to meet the emerging challenges and will contribute towards making our organizations more dynamic, responsive and sensitive to the needs of the citizen.



Secretary (ARPG & P) proposing Vote of thanks

We are grateful to the Minister of State for Personnel, Public Grievances & Pensions for his presence and words of encouragement. His able guidance in matters pertaining to civil service reforms has always encouraged us. I thank him for his kindness, his interest, his hospitality and continued support.

My heartfelt thanks to the Cabinet Secretary for his stewardship, support, vision and commitment for the Chief Secretaries' Conference and Civil Service Day. Sir, your valuable contribution, guidance and encouragement has given a new impetus to our work.

I wish to thank the Principal Secretary to the Prime Minister for his unstinted support for this function. I would like to thank all our honoured guests for their presence and participation today.

I would like to thank all the Contributors for their rich collection of papers. I will fail in my duty if I do not put on record my deep appreciation for the writers of Best Practices and discussants for their valuable contributions. It is this treasure which will keep the memories of this Conference alive.

I thank all the Secretaries to the Government of India, the Chief Secretaries, all the heads of the services and all the other officers for their kind presence on this occasion.

We owe special gratitude to the officials of the NIC, CPWD, ITDC, the audio – visual staff, Vigyan Bhawan staff, volunteers and officials who have worked hard to ensure that this occasion becomes a memorable success.

Last but not the least, I would like to thank the Members of the media, for evincing interest in covering the event.

I thank you all for your attention, thanks for coming.

Prime Minister's Award for Excellence in Public Service

Prime Minister, while addressing the Collectors' Conference in 2005, had announced that the Government would consider introduction of Civil Service Awards in order to motivate the Civil Servants by recognizing the extraordinary and innovative work done by the officers of the Central and State Governments to give their best in the service of the people. Accordingly, it has been decided to introduce "Prime Minister's Awards for Excellence in Public Administration".



Shri Rajiv Chamla receiving the Award

All officers of the Central and State Governments individually or as a group or as organizations are eligible to be considered for the awards. The award comprises of a medal, a scroll and a cash award of **Rs.1.00 lakh**. In case of a group of officers/or an organization total award money can be **Rs.5.00 lakhs**, subject to maximum of **Rs.1.00 lakh** per person. The awards are being given for the first time for the year 2005-06 and there are two winners- Shri Rajeev Chamla, IAS, Secretary (e-Governance), Govt. of Karnataka for his initiative 'BHOOMI- Online Delivery of Land Records in Karnataka' and Shri R. S. Pandey, IAS, Secretary (Ministry of Steel), Government of India for his novel initiative titled 'Programme of Communitization of Public Institutions and Services in Nagaland'.

Shri Rajeev Chamla canvassed support, galvanized teams, convinced the stakeholders and introduced a sustainable model. By using information and

communication technology, land records have been made available in public domain. This system reduced legal disputes. It also provides accurate crop and insurance data and supports efficient land transactions. His efforts have led to nation-wide replication of this path-breaking initiative.



Prime Minister giving award to Shri R.S. Pandey

Shri R.S. Pandey as Chief Secretary Nagaland, appreciated the role of age-old social capital in improving the quality and delivery of public services such as Education, Health and Power distribution. He was instrumental in empowering the community in the State of Nagaland to take decisions about their developmental needs and also implement the schemes. He earned the goodwill of the people of Nagaland for his unique initiative and the trust he reposed in them. He initiated the scheme, canvassed political support, developed legislative framework leading to the enactment of the Nagaland Communitization of Public Institutions and Services Act, 2002. His steadfastness and commitment to the cause of decentralized administration deserves recognition.

Two hundred and forty three nominations were received this year, of which only 97 were found eligible. Of these, 12 were finally short – listed for consideration. These include three from Karnataka, three from Gujarat, one each from Chhatishgarh, Andhra Pradesh, Nagaland, Madhya Pradesh, Kerala and one from the Department of Posts, Govt. of India.

Release of Book on Best Practices 'Learn From Them'

In common parlance, a Best Practice is the improvement in efficiency of management systems for the delivery of basic services, communication of information and facilitating public decision making. These best practices are the examples of action which could serve as useful models from which others could learn and transplant them to their own situation with suitable customization. A common man treats a best practice as one which provides him with utmost comfort in his day to day life. The United Nations defines the Best Practices as outstanding compilation for improving the living environment. The International Committee of UN considers Best Practices as successful initiatives which:

- Have a demonstrable and tangible impact on improving people's quality of life;
- Are the result of effective partnerships between the public, private and civic sectors of society;
- Are socially, culturally, economically and environmentally sustainable.



Prime Minister releasing the Book on Best Practices

In pursuance of the mandate of documentation and dissemination of best practices, the Department of Administrative Reforms and Public Grievances collected and compiled articles on some select success stories across various sectors. The Book 'Learn From Them' is a compilation of papers based on presentations of Best Practices

arranged by the Department of Administrative Reforms and Public Grievances since January, 2005 on a monthly basis before the Cabinet Secretary and a select gathering of senior officers of Government of India and State Governments. Comprising 18 papers, the book covers a wide range of areas like e-governance, information technology, tribal development strategies, problems of street/ destitute children, computerization of land records and urban governance, etc. The uniqueness of the book is that the author is the champion of the project himself/herself and shares his/her experiences about the project. The author discusses the situation before the initiative, challenges faced, strategy adopted, results achieved and lessons learnt. They also tell us about the mechanism adopted for ensuring sustainability of the project.

The Hon'ble Prime Minister Dr. Manmohan Singh released this Book on the second Civil Service Day.

CONCEPT PAPER

Realising Human Resource Potential for Inclusive Growth

I Introduction

1. The purpose of this paper is to outline some points for discussion by civil servants on the theme of realising human resource potential for inclusive growth in India. While it broadly touches on the theme of inclusive growth, it will in particular focus on aspects and issues that relate to the role of government in realizing human resource potential for inclusive growth.
2. Human resource potential may be thought of as comprising of various elements. The concept of pro-poor development discussed by a Commonwealth Expert Group on Development and Democracy chaired by Dr Manmohan Singh of India recognizes this wider conception of development based on fuller realization of human potential. In its Report¹ of 2003, the Group recognises:
 - The principal aim of development no longer focuses on maximizing marketable production of goods. The emphasis is now on expanding opportunities and strengthening human capacities to lead long, healthy, creative, and fulfilling lives.
 - Growth-oriented development policies aimed at the general population may have a more limited positive impact on particularly disadvantaged groups. Pro-poor development concerns those policies that are specifically designed to enhance the quality of the lives of the poor.
 - The poor should not be identified as a faceless mass or as a statistic. In identifying the poor, they should be specified in terms of the diverse population groups (e.g. in terms of gender, ethnicity, religion, age or occupation) that suffer from basic deprivations and inadequate achievement of basic capabilities.
3. The above conception of pro-poor growth goes beyond the normally held conception of poverty reduction, and may be captured under the term 'inclusive growth', that embraces all communities, regardless of religion, caste or gender, and all regions and speaks in terms of strengthening capabilities and opportunities.
4. The realisation of human resource potential is thus intimately linked to the conception of pro-poor growth, one influencing the other. Reduction of poverty, better opportunities for employment, improvements in literacy and health, reduction in gender inequalities and a more equitable spread of growth across the nation will all have an impact on the ability of the nation to realize its human potential, which in turn will have a positive impact on achieving inclusive growth. The following sections comment on various aspects related to this.

II The Common Minimum Programme (CMP) of the United Progressive Alliance (UPA)

5. The Common Minimum Programme of the UPA adopted in 2004 is in consonance with the concept of realising human resource potential for inclusive growth. The Programme identifies the specific steps that the UPA government is committed to take, among others, in the areas of promoting employment opportunities, improving access to education and health care, promoting gender equality, welfare of children, food and nutrition security, strengthening the position of scheduled castes and tribes, and a balanced regional development.

III Realising Human Resource Potential for Inclusive Growth: Progress and Current Challenges

6. At the level of overall growth in income, India is marking good progress, with many believing that India has moved into a higher trajectory of growth. The question is: what has been the experience in regard to inclusive growth? And how can it be best promoted? The picture that emerges from the available evidence suggests the following:
 - *Poverty Reduction:* The latest estimates available from the NSS conducted in 2004-05 indicate that the proportion of the poor below the poverty line is of the order of 27.8 per cent of the total population of India, compared to 36 per cent in 1993-94. However, despite the fall in the proportion of the poor, the absolute number of poor was estimated at about 300 million in 2004-05, compared to 320 million in 1993-94. The stubbornness in the number of the absolute poor is partly because of population growth. However, the slow decline in the proportion of the poor in the total also indicates that the better growth that India has been experiencing is not translating into equivalent reductions in poverty. When 300 million of people live in sub-human conditions, should not all favourable growth statistics (like 9% growth in GDP) be set aside, and to facilitate the said population to be raised to minimum level of dignified living, be the number one priority?
 - *Employment:* While employment growth has accelerated to 2.6 per cent per annum during 1999-2005, outpacing population growth, the average daily status unemployment rate has increased from 7.3 per cent in 1999-00 to 8.3 per cent in 2004-05. This is partly because of the rise in labour force associated with the rise in working age population. Agricultural employment has increased at less than one percent per annum, slower than population growth and slower than agricultural growth. There has been a sharp rise in agricultural labour households, shift of rural population – mainly male agricultural workers – to urban areas, and feminisation of agricultural labour. Non-agricultural employment has expanded robustly, at 4.5 per cent per annum, during 1999-2005, but

much of this in the low-productive self-employment area. Evidence suggests that employment in the organized sectors actually declined during this period. The wage share in the organized industrial sector has halved after the 1980s. To provide employment to the new entrants to labour force, and accommodate the shift to non-agricultural employment, the non-agricultural employment will have to accelerate to 5.8 per cent per annum in the 11th Plan period compared to 4.7 per cent per annum in 1999-2005.

- **Literacy:** Overall literacy still continues to be less than 70 per cent, and female literacy less than 50 per cent. The quality of education continues to be poor. A recent survey by Pratham, an NGO, found that 38 per cent of the children who have completed four years of schooling cannot read a small paragraph with short sentences meant to be read by a student of Class II. And about 55 per cent of such children cannot divide a three-digit number by a one-digit number. Dissatisfied with government schools, many children are moving into private schools. At present, privately aided and unaided schools account for 58 per cent of the total number of secondary schools and 25 per cent of the student population. This puts the poor who cannot afford the fees of private education at a disadvantage.
- **Knowledge status:** With a population of over a billion, approaching almost that of China, and an economic growth rate above the world average, India is now frequently identified as one of the prospective great powers of the twenty-first century. India's recent achievements are possible at least in part due to information and knowledge dissemination. Therefore, India is striving to become a knowledge superpower. It produces plenty of ready-to-work, English speaking engineers – nearly 4,00,000 a year at last count according to The New York Times report in 2006. Over the last five years more than 100 IT and science-based companies have come to India to find innovators whose ideas would take the world by storm. Their recruits are straight from India's elite technology institutes and universities. Thus the knowledge revolution has begun and it is apparent that the country is reaping the benefits of the human capital so created. However, as its technology companies soar to the outsourcing skies, India is bumping up against an improbable challenge. In a country once regarded as a bottomless well of low-cost engineers, a shortage looms. The best and most selective universities generate too few graduates, and new private universities, grown up almost like mushrooms, are producing hundreds of graduates of uneven quality. Their competence has become an issue. The National Association of Software and Service Companies (NASSCOM) found that only one out of four engineering graduates to be employable. The skill gap shows the narrow availability of high quality college education in India and the galloping pace of the country's service-driven economy, which is growing faster than all but China's. With the technology jobs expected to nearly double to 1.7million in the coming

four to five years, companies are scrambling to find fresh engineering and scientific talent and to upgrade institutes that produce it. This is definitely an instance of failure to fully realize human resource potential – a hurry-scurry attempt to cover the shortage without delving deep into the great potentiality by improving the entire education system in a systematic way. In fact, there is a widespread view that the entire university system needs an overhaul. According to a news report India produces 5,000 science PhDs in a year, yet it should be producing 25,000. To combat this problem Central Government has decided to select 30 universities, give them money and mentor and monitor them to create elite institutions².

- *Gender Disparities:* The incidence of poverty among females tends to be higher than among males, and there continue to be considerable intra-household inequalities. Violence against women, weak economic status, incidence of ill health and low literacy and poor participation in political processes continue to characterize and limit the movement towards gender equity.
- *Regional Disparities:* While overall GDP growth has shown a rising trend, large disparities in socio-economic indicators across regions persist and are even increasing. The consumption poverty in the worst state is of the order of 47 per cent of population, compared to 5 per cent in the best state. Literacy rate of males in the worst state is of the order of 60 per cent compared to 94 per cent in the best state, with the comparable figures for females being 33 per cent and 88 per cent. Infant mortality rate in the worst state is of the order of 83 per 1000 live births, compared to 11 in the best state. And the per cent of under-nourished children, measured in terms of weight for age, was 56 per cent in the worst state compared to 21 per cent in the best state; other indicators of under-nourishment, measured in terms of height for age or weight for height show similar regional disparities. And poverty is largely concentrated in the hinterland states of North India.
- *The North East:* The per capita income in the North East states, which was slightly above the national average at the time of independence, has fallen to 40 per cent below the national average today. The region suffers from high unemployment – of the order of 15 to 20 per cent. The North East suffers from poor connectivity, poor infrastructure, shallow markets, inadequate administrative capacity, low skill development and a poor law and order situation³.
- *The Scheduled Castes and Tribes:* The gap in income and other indicators of development between the Scheduled Castes and Tribes and religious minorities such as Muslims on the one hand and the general population on the other continues to be unacceptably wide. The scheduled tribes, who live in hilly and deep forest areas, remain untouched by the green

revolution, and productivity of land and labour remains low. They also suffer from widespread indebtedness, low-literacy and ill health, compared to other communities. Most of scheduled castes are either landless or marginal farmers, have low literacy, and evidence suggests that they are discriminated against in government developmental programmes in much of India. Many of the atrocities committed against the scheduled caste population are related to land and minimum wage issues.

- *Fragile Regions:* The poor are concentrated in eco-fragile regions, which are risk prone and characterized by environmental degradation and low productivity of land.

In this connection the status of achievements in terms of Millennium Development Goals may be looked at (Annexure 1).

7. The Union and State governments have in place a number of schemes and programmes aimed at poverty alleviation that broadly fall into four categories: (i) self-employment programmes that aim at generation of employment through provision of income generating assets; (ii) wage employment, through schemes such as food for work, National Rural Employment Guarantee Scheme; (iii) direct cash transfers to targeted groups; and (iv) public distribution system that provides subsidized food and other essential items for targeted groups. These schemes and programmes, while proving to be ameliorative, are yet to fully bear result. A review by a Working Group on poverty elimination programmes appointed by the Planning Commission⁴ shows that:
 - The experience of the poverty alleviation programmes in targeting the poor and alleviating poverty has been different across states, largely due to the efficiency or otherwise of the implementing machinery. In the block of northern states, where poverty is concentrated, the implementation of programmes has been weak. In these states, typically, a large proportion of the poor had never been brought under the poverty alleviation programmes, while a proportion of the benefits tended to be captured by the richer households; a significant proportion of the assets acquired through the programmes did not survive; there was leakage of funds; programmes such as assistance for housing were better targeted, but there were large deductions on account of bribes; and the poor had to often depend on middlemen.
 - The formation of women's self help groups, which gathered strength in some of the southern states of India has had a positive impact on poverty alleviation. In A.P. where the self help groups has emerged as a movement of empowerment of women, the process was strengthened by an innovative step of providing support through the establishment of an independent autonomous society, known as Velugu, and now known as Indira Kranthi Pathakam. Under these schemes, the three pillars of the livelihood enhancement are identified as social mobilization, filling the knowledge gap, and resource support to help the poor to move up the value chain. In Kerala, under the aegis of the Kudumbashree project, women from poor families are

organised into neighbourhood groups, and then federated under a larger umbrella. The identification of the poor is done far more objectively. The advantage of the scheme is that it is managed wholly by the representatives of the poor, and has the leverage of a non-governmental organization. It is an innovative combination of community based organization and local self-government.

- The Panchayati Raj institutions have had a very positive role in implementing poverty alleviation programmes in West Bengal and some other states (e.g. Nagaland) where local democracy is strong. However, evidence suggests that local democracy does not function well in some contexts – for example, when the distribution of assets, literacy and social status is highly unequal, a tradition of widespread political democracy does not exist, and political competition to respond to the needs of the poor is lacking.
- In regard to various safety nets for the poor (e.g. food for work, housing, old age or widow pension, etc) while they do bring help, overall, the achievements are not commensurate to the resources involved. Failure to identify the hardcore poor, lack of support for extended periods when needed, lack of coordination among various departments, lukewarm acceptance of the third tier of governance and planning by the states, are some of the lacunae.
- The demand driven nature of the National Rural Employment Guarantee (NREG) Scheme, now in operation in 200 backward districts, has not led to as high leakages or cost as some had initially feared. It seems to be more successful in states such as Rajasthan, where a strong civil rights movement has taken root. The NREG, a self-selecting model that serves the poor in distress, might indeed prove to be a powerful instrument in giving a fillip to local democracy.
- Since demand based skill development can be a powerful instrument in bringing poor families above the poverty line, the capacity to create such skills and create non-formal rural and urban employment opportunities can be a major plank of pro-poor development. Data collected in the 60th Round of NSS shows that only three per cent of the rural youth and six per cent of the urban youth have gone through any kind of vocational training. The range of skills training offered in the existing ITIs is limited compared to other countries, and the capacities of these institutions need expansion in the volume of intake and range of skills, quality of training and their location more geographically spread. There is also a need for a closer dialogue between educational and training institutions and the employers.

IV Concluding remarks

8. It is clear that while India has been experiencing a rising growth in GDP, this growth is not yet getting distributed more equitably. The Government of India and the state governments have in place a number of poverty reducing and capacity enhancing schemes, but the available evidence suggests that, while they have had a degree of impact, they are not yet significant enough to generate what we would call inclusive growth. One could, of course, argue that it is in the nature of market led growth that

it happens in clusters, with prosperity spreading more widely as an economy reaches a more mature stage. However, there are many areas where pro-poor policies can be growth enhancing: better literacy, skill formation, better health, greater gender equity, and peace and reduced conflict that comes from a better distribution of gains and a geographical spread of growth can be growth enhancing. In the delivery of such an agenda, however, one needs to also address the following issues:

- The generation of employment opportunities and more balanced regional development are critical for pro-poor growth. In what way can the policy be refined in promoting these objectives? How can we generate more agricultural, non-farm, and labour-intensive manufacturing growth opportunities? Can we benefit from the demographic dividend that India is expected to reap without the growth of employment opportunities?⁵
- Are we addressing the problem of widening regional disparities and the special problems of the North-East adequately? As private investment now drives growth in a much more significant way, is there a risk that the regions that are poor, weak in infrastructure and administration and lack adequate state level resources find that they cannot attract private investment and therefore would be further left behind in the growth process?
- As the delivery of most basic services of importance to the citizen are in the purview of states, but lack financial resources, how can this issue of delivery of services be addressed? Can the centrally funded and sponsored schemes be an adequate answer to respond to these problems of weak capacity on the part of states? There seems to be some evidence that a large number of states are not taking advantage of Union government schemes.
- Can the government adopt a Mission approach to the delivery of a few critical services, such as clean water, sanitation, education of the girl child, etc?
- While a good design of policy is important, the civil service and the executive in general are at the heart of effective delivery of government services. The ability to design, implement and monitor projects is important. In what way the delivery capacity of the government, particularly in regard to pro-poor policies and projects, be improved?
- How can the relations between the political executive that is responsible to Parliament, and the civil service that is an arm of the government, be better defined?
- While the role of civil service is undergoing change, the training for them does not seem to have been redesigned to reflect this change. How can the training be restructured such that the civil service has opportunities to acquire the hard skills that are needed in the new contexts?
- What can be done to improve accountability of the government? How can the political leadership and the civil service be made more accountable? Is there sufficient capacity in the country to provide independent monitoring and evaluation feedback to the government on services and projects that it undertakes? Can social audits be made a regular feature of public expenditure tracking and impact? If capacities are lacking for these purposes, can they be instituted?

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- As the experience in regard to direct delivery of basic services – e.g. health, education, water, sanitation - by government is at best patchy, is there value in considering public-private sector partnerships in delivering those services?
 - Should the role of government be limited to a fewer, well defined, functions such as regulation of, natural resource management, education, health, water, sanitation, etc, with the private sector and the civil society assuming responsibility for some of the erstwhile functions of the government?
 - What can be done to strengthen local democracy and the third tier of government, which, despite the 73rd and 74th Amendments to the Constitution of India, remain weak in most parts of India?
 - Can a movement for inclusive growth be developed on the basis of healthy rapport between pro-people civil service, NGOs engaged in socio-economic development and prospective beneficiaries themselves that will favourably change development discourses in our country?

Footnotes:

¹ Making Democracy Work for Pro-poor Development, Report by a Commonwealth Group of Experts, Commonwealth Secretariat, London, Oct 2003

² www.newsscientist.com - India Special: The next knowledge superpower

³ *Towards Faster and More Inclusive Growth: An Approach to the 11th Five Year Plan*, Planning Commission, 9th December 2006.

⁴ *Report of the XI Plan Working Group on Poverty Elimination Programmes*, Planning Commission, New Delhi, December 2006.

⁵ In this context, see the compendium of papers on 'Delivering Basic Services for the Poor', Economic and Political Weekly, 28 February, 2004.

Annex 1: India: Movement in MDG Indicators

Goals and Targets	Status of India
<p>Goal 1: Eradicate extreme poverty and hunger</p> <p>Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>Poverty incidence was reduced from 36% in 1993-1994 to 26% in 1999-2000.</p> <p>Undernourished people made up 23% of the total population in 1990.</p> <p>In 1990, 64% of children under 5 were underweight; in 2000, 46%.</p>
<p>Goal 2: Achieve universal primary education</p> <p>Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>Primary school net enrollment ratio was 65% in 1980 and 77% in 1997.</p> <p>Of pupils who reached grade 5, 52% were female and 57% male in 1980, and 55% female and 61% male in 1993.</p>
<p>Goal 3: Promote gender equality and empower women.</p> <p>Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and among all levels of education no later than 2015.</p>	<p>The male-female literacy gap, which was 25 percentage points in 1991, was reduced to 22 percentage points in 2001.</p> <p>In secondary schools, girls made up 33% of students in 1990, and 38% in 1998.</p> <p>The gap in the enrollment ratios between boys and girls declined over 1993-94 to 1999-2000 as indicated:</p> <p>6-10 years: Fell by 3 percentage points</p> <p>11-14 years: Fell by 7 percentage points</p> <p>The gender related development index for India improved from 0.410 in 1996 to 0.560 in 2000.</p> <p>The gender empowerment measure for India improved marginally from 0.235 in 1996 to 0.240 in 1999.</p>
<p>Goal 4: reduce child mortality</p> <p>Target 5: Reduce by two-thirds, between 1990 and 2015n the under-five mortality rate.</p>	<p>Infant mortality ratio (per 1,000 live births) was 77 in 1991 and 68 in 1999.</p> <p>Mortality of children under 5 (per 1,000) was 112 in 1990 and 95 in 1999.</p>
<p>Goal 5: Improve maternal health</p> <p>Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate (MMR).</p>	<p>Maternal mortality rate (per 100,000 live births) has remained at around 540 over the past decade. There is perhaps need for better recording and tracking systems.</p> <p>Births attended by skilled health personnel made up 34% pf all births in 1992-1993 and 42% in 1998-1999.</p>
<p>Goal 6: Combat HIV/AIDS, malaria and other diseases</p> <p>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</p>	<p>Of adults (15-49 years old), 0.82% were living with AIDS in 1997, and 0.70% in 1999.</p> <p>An estimated 4 million people in India are infected by HIV/AIDS.</p> <p>Couple protection rate was 44% in 1991 and 48% in 2000.</p>

Governance Challenges in Resurgent India

Introduction

India has made rapid progress both in terms of economic growth and social development during the last six decades of Independence. It has been successful in substantially reducing poverty and illiteracy, improving health conditions and promoting the growth of democratic institutions at all levels. The pragmatic steps taken in the 1990's helped the country to overcome a major macro economic crisis and cleared the path for sustained growth and synergic realignment with the global economy during the last sixteen years. But these achievements have also created challenges, which need to be addressed effectively in order to sustain and accelerate the process of the growth and development.

The state has made massive investments in the creation of assets and development of infrastructure since Independence. The administrative agencies have also been successful in achieving difficult logistical goals by creating nation-wide networks of service delivery in various sectors. However, being more often than not supply-oriented, state-driven and internally-focused systems, they have not been able to make the most efficient use of resources and suffer from inadequate attention to concerns for quality and citizen satisfaction.

In spite of these limitations the very success of the Indian state in reaching out and providing citizens with physical access to core public goods and services has created pressures and demands for better quality and increased access thereby placing the spot light firmly on 'systemic gaps' in the existing service delivery systems. For instance, the very existence of a road, a school or a health center has led to demands for better services from and better maintenance of these facilities. Recent studies have shown that with rising incomes resulting from economic growth, citizens in urban as well as rural areas are increasingly approaching the private sector for provision of basic services and are even willing to pay substantial fees for quality services.

Simultaneously the deepening of democracy has led to empowerment of new social groups and increased expectations of upward mobility leading to demands for making public service delivery more inclusive.

While the public service delivery systems have successfully met the challenges of asset creation and provision of logistical support during the first phase, they have not been able to reinvent themselves and keep pace with the rising demands for quality and inclusiveness in service delivery. We therefore need to closely examine the processes of policy implementation and service delivery, identify roadblocks and bottlenecks and come up with innovative and viable approaches and strategies, which can maximize policy outcomes.

The Key Elements:

Effective policy implementation is a function of the interplay of three key elements – namely the institutional arrangements, the service providers and the framework of rules and procedures.

In the context of a dynamic political, social and economic environment, these three elements of governance need to constantly reinvent and adapt themselves to perform better and remain effective. Their capacity to do so not only depends upon their internal qualities but also upon the pressures emanating from their external environment, most notably from the political system and civil society.

Institutional Arrangements

Centre- State Problems

There is a growing feeling among researchers, political representatives and even civil servants that the ability of administrative institutions to deliver services is not only inadequate but also declining rapidly. The existing arrangements do not facilitate accountability or monitoring of outcomes. The constitutional framework lays down the roles and responsibilities of different tiers in the governance structure and classifies subjects/items as falling in the Central, State or Concurrent list. Of these, the vast majority of items dealing with development issues fall within the domain of the states. For instance, education, health care, social security and urban and rural development are either state subjects or largely under state jurisdiction. And yet, the services are increasingly driven by Union policies and funds that take the shape of centrally sponsored schemes or normal central assistance. The imperatives of correcting regional disparities, ensuring uniform standards and services and paucity of state funds are some of the factors responsible for this situation.

However, the fact remains that central funding of state sector activities is problematic for several reasons. Central funding and state control leads to an erosion of accountability and therefore results in poor implementation. The central government makes fiscal transfers of about Rs.1, 76,000 crores to the states annually excluding subsidies but it is unable to effectively monitor the outcomes flowing from this public expenditure.

On the other hand, there is substantial truth in the criticism that the centrally sponsored schemes are not rooted in ground realities. Usually, the central government designs the parameters for these schemes and ends up depriving state governments of the flexibility required to take into account local needs and conditions. The schemes therefore often fail to make any impact. It has been observed that even funds sanctioned for various sectors for recovery and rehabilitation after disasters are channeled in the form of schemes, which have little or no relevance for the affected people. Many of the centrally conceived schemes are based on urban ideology and tend to undermine the social and cultural integrity of remote and culturally distinct regions and communities in the northeast and other tribal groups.

Moreover, the releases of central assistance are invariably linked to timely submission of utilization certificates, which hampers the process of implementation as state governments do not seem to have sufficient capacity to provide them as and when required.

The problem appears to be serious in case of centrally sponsored schemes. State government agencies and beneficiaries are ignorant of provisions of such schemes and are unable to access their benefits. There has also been a proliferation of both central and centrally sponsored schemes with similar objectives within a sector or across sectors. This is particularly true of rural development, health and women and child sector. It is necessary to synergies these efforts through better coordination for preventing wastage of resources.

While the central government of late has been providing hundred per cent grants through centrally sponsored schemes in sectors like SSA, NREG, etc., it is providing support to JNNURM or AIBP through additional central assistance where the states share varies. There is a need to rationalize the state share in these schemes.

Outcomes

Traditionally, governments have concerned themselves mainly with 'adequate' allocation of public funds for expenditure in specified sectors. Even the planning and monitoring systems have been preoccupied with meeting expenditure targets and 'plan and non plan expenditure review meetings' are regularly held by Heads of Departments. Despite this there is a "rush to expenditure" in every March. But there is little focus on the 'outcomes' expected from public expenditure i.e. the provision of good quality public goods and services. However, it is now being realized that mere allocation of funds and monitoring of expenditure is not enough. While monitoring of expenditure levels against financial outlays can at best indicate the pace of implementation, the actual effectiveness of the expenditure can only be known by measuring the physical outcomes. Therefore targets are now being reflected not only in terms of expenditures but also 'outcomes'.

In the recent years, there has been an attempt to shift from outlay based budgeting to outcome based budgeting. Outcome budgeting is a means of establishing an effective linkage between the money spent by the government and its results. The central ministries have started presenting their budgets in this format since the financial year 2005 though the states are yet to make a beginning. Even in case of the central ministries it has been commented that the outlays have merely been compiled along with physical targets (which are outputs – not outcomes).

The fact remains that a great deal of groundwork is required before a government agency can meaningfully adopt outcome budgeting as a technique for enhancing policy implementation. It is necessary to define outcomes in measurable and monitorable terms, standardize unit costs of delivery and benchmark quality standards. This can be a daunting task in itself. It is relatively easy for ministries like steel, coal or defense to convert their outlays into outcomes, while the same could be difficult for ministries providing services in the social sector. For instance, improvement in quality of education may be the final outcome for the education ministry and this can only be determined over a longer period of time. Similarly, improvement in health status may be the outcome for the health

department. But this outcome is not only dependent on curative health care initiatives but is also influenced by extraneous factors like provision of clean drinking water, sanitation etc., which are programmes of other departments and their outcomes.

Apart from identifying and defining the outcomes properly, appropriate benchmarks have to be developed especially for delivery of social services. At present government endeavour in sectors like rural development and social security is marked by a virtual absence of any kind of the benchmarks for service delivery. Having identified the outcomes, benchmarks and the timeframes, the concerned departments have also to ensure that the required amount of money flows at the right time to the right level of implementation for delivering the services to the people. This requires change in the internal structures and procedures of work. In effect outcome budgeting calls for a complete change in the mindset of government officials making them more result oriented.

This can happen only with sustained facilitation, monitoring and evaluation by independent and professional agencies. At present the Ministry of Statistics and Programme Implementation, Programme Evaluation Organization and Programme Outcome and Response Monitoring division of the Planning Commission are all involved in this effort. There appears to be multiplicity of organizations operating in this field without any clarity of roles. This situation needs attention. It may also be useful to involve outside agencies like research institutes and civil society organizations in this whole exercise.

Framework of rules and procedures

Governance institutions and processes should be able achieve their goals by making the best and most sustainable use of resources available to them. However, our archaic systems and processes inherited from the pre-Independence era are not designed to ensure the best use of resources. Moreover, government organizations tend to be formal hierarchical structures, which are often the sole service providers in their sphere of activity and are bound by elaborate procedures and regulations in their day-to-day functioning for ensuring accountability and control. As public institutions, they are also required to maintain detailed records for ensuring continuity.

Over a period of time, the structures have become more rigid and the procedures have become more complex and meaningless. As a result, government organizations have become entirely process oriented, unwieldy, unresponsive and resistant to change. There is therefore an urgent need to review, reform and re-engineer governance systems to make them transparent and citizen friendly and also to improve their performance in terms of costs, quality service and speed.

e- Governance

The use of information technology is fast emerging as an important method of re-engineering governance systems. e-governance can optimize service delivery by the government to the citizens, to other government agencies and to its own employees. Thus it can qualitatively transform all these internal and external relationships of the government. It

not only makes service delivery more efficient and effective, but also enhances the quality of decision making within the government. It also increases the comfort and productivity of employees. On the other hand, it enhances the citizen's choice by making available 'anywhere, anytime services and information' and empowers them through transparency and participation.

There have been several successful e-governance initiatives at the central and state levels which have brought about radical improvement in delivery of services. But these have been largely in the form of stand-alone projects or isolated good practices. Schemes like CARD, E-Seva, SmartGov (A P), Bhoomi (Karnataka), FRIENDS (Kerala), Gyan Doot (M P), and Information Village (Puducherry) are some good examples. There has, however, been no coordinated effort at the national level to initiate e-governance measures across the country, at least in some priority sectors or even to replicate the good practices of other states. e-governance initiatives have also tended to be urban and elitist and have made no qualitative improvement in the lives of poorer people especially in rural areas. Lack of Internet connectivity, erratic power supply, and non-availability of content and software in local languages prevents the rural poor from taking advantage of e-governance. A beginning can however be made developing a comprehensive village level data base especially of the BPL population and then make this available to various pro-poor service delivery departments of the central and state governments. This would help health, social welfare, rural development and relief and rehabilitation departments to better target their services. Adequate funds will have to be provided for this purpose.

The National e-Governance Action Plan adopted by the government recently addresses these issues. The central government has also provided the states with additional central assistance for undertaking capacity building exercises for implementing the Action Plan. State wide area networks (SWAN) are also being developed in 22 states to provide data connectivity up to block level.

Some of the 'managerial problems' of e-governance issues, however, relate to the human resource element – back end process changes are ignored or undertaken without adequate training of employees, no effort is made to develop a sense of ownership for the initiative among employees, no strategy is worked out for change management considering the fact that e-governance can fundamentally alter the operations, roles and responsibilities and interests of different stakeholders, and the 'driver' of the initiative is often abruptly transferred to some other department

Decentralisation

Consequent upon the passing of the 73rd and 74th Constitutional Amendments, a number of steps have been taken to decentralize power and strengthen the local self governments. Recent experience with schemes like NREG and JNNURM has shown that the best way of ensuring the success of social sector programmes is to involve local communities in planning as well as monitoring of implementation. The gram sabha and the area sabha respectively are the bodies from which all plans and projects should emanate in the rural and urban areas and feed into the District/municipal level plans. However many states have still not constituted the District Planning Boards even though it is mandated by

the Constitution. Similarly, while functions have been devolved, funds and functionaries have not been devolved by the state governments in many cases. State governments need to provide strategic inputs and leadership and leave the delivery of basic services to local governments.

While the state governments have been found wanting where devolution is concerned, the local bodies themselves have neither facilitated people's participation nor their empowerment. A nexus has developed between the block level officials and the PRI's and the latter only undertake projects that involve construction, contractors, and commission. The elected representatives at the local level are not accountable to the local communities because they receive their funds from the state and central governments directly in the form of grants. As many as 154 centrally sponsored schemes are in force which deal with subjects devolved upon PRI's. Similarly, state governments also spend half of their expenditure on these very subjects. Accountability for expenditure is poor. The only way of ensuring that the PRI's work for the local communities is to reduce the grants and encourage the PRI's to levy local taxes. The state governments can also link further devolution to well developed performance criteria. Stakeholder audits and peer reviews as strategies for making local bodies more effective.

A number of functions now being discharged by the civil servants under the district administration will eventually be discharged by the PRI's. What implications does this have for the civil service and what will be the role of the District administration in the future also need to be understood clearly.

An important issue with regard to decentralization is whether three tier structures are necessary everywhere. It would perhaps be desirable to allow state governments to design the structure of PRI's flexibly keeping in view the local conditions.

Public-Private-Partnership

The vast requirement for capital to fund infrastructure and other projects is beyond the state's capacity to tax and borrow. It is therefore necessary to invite private funds especially foreign funds to collaborate with the state and even carry out projects on their own. Experiences in other countries offer several models for public-private-partnership. However, there is need to build capacity for analysis and decision making in the civil services to ensure that the state does not end up bearing the losses while the private sector takes the profit from the partnership.

A few success stories such as PPP in Tiruppur Water Supply and PPP for Alandur Underground Drainage project amply demonstrated that this could be done. These experiences have led to a consensus at the national and in select states to encourage PPP in urban water and sanitation projects. The newly formulated Jawaharlal Nehru National Urban Renewal Mission (JnNURM) scheme of the Government of India has strongly encouraged PPP by including it under their reform agenda. The scheme also provides for fiscal incentives for promoting PPP in urban water and sanitation sector. Similarly, the Government of India has also formulated Viability Gap Fund Scheme to encourage PPP in infrastructure including urban water and sanitation. Many states and cities are willing to

implement the PPP in urban water and sanitation. But capacity for project preparation, negotiation and contracting among the civil services needs to be built up and kept current with international benchmarks.

Politicization of disbursement / delivery

While democratic politics has facilitated mobilization of the masses, it has not been accompanied by modernization of the polity and society at the same pace. Politicians have shown a marked tendency to use particularistic and non-secular categories like religion, language and caste, for political mobilization. The pressures of competitive electoral politics have only worsened this situation. The normative goal of governance as laid down in the Constitution of India is ‘to secure to all its citizens justice – social, economic and political’ and this will be reflected in the formulation of state policies also to a greater or lesser extent. However, the deviation of mass politics away from the Constitutional norms is reflected manifestly at the implementation level when institutions are misused, rules circumvented and service providers coerced for providing patronage to narrow groups and private benefits to insiders. The focus is not on improved service delivery to the general public but on provision of contracts, indirect subsidies and even jobs on political considerations to a select few. The political system, therefore, does not hold the service providers accountable for service delivery. Rather, it provides ‘perverse incentives’ to the contrary.

Role of Civil Services: the service providers

The civil service is the ‘tool’ of governance as Sardar Vallabh Bhai Patel, the first Home Minister of India, pointed out. It mans the institutions of governance and ensures their stability, continuity and efficiency. Before Independence, the civil service was mainly charged with exercising the sovereign functions of the state – maintenance of law and order, revenue administration and provision of minimal administrative services in times of emergency. Members of the civil service were extraordinarily talented men known for their integrity, political neutrality, courage and high morale.

After Independence, the role of the state changed radically. The people expected the state to step in and solve all their problems and fulfill all their expectations. This was the time when non-state players were few and lacked the capacity to provide any kind of services to the citizens on sustainable basis. As a result, the state made direct interventions to provide public services, which resulted in a rapid expansion in its functions. The civil service was called upon to take up a number of new roles and responsibilities to discharge these functions.

Realizing the need to strengthen the civil service for taking up these new roles, the government not only provided constitutional protection to the civil servants, but also provided full support to the meritocratic system of recruitment characterized by a high level of competition. It also set up ministries and departments for effective personnel management and establishment control.

In the changed scenario, the civil service was not only expected to be instrumental in the gradual transformation of the social, economic and political landscape of the country, it was also expected to modify its own character, composition, structure and mindset to discharge the new and varied responsibilities. The civil service could undergo this change only to a limited extent and this affected its role as a 'development agent'. The burgeoning of a centralized, hierarchical, high cost public service during the first four decades of Independence with a top-down, non-participatory approach to development and with a poor track record of effective service delivery is a reflection of the inability of the civil service to re-invent itself and the lack of enabling support from the politico-legal environment for this process.

Even while we must take steps urgently to overcome these 'systemic inadequacies' in the civil service, we must also equip the civil service for the role that it will play in the future. Since the nineties, there has been a drastic reordering and reorientation in the direct role of the state necessitating a change in the role of the civil service. This is based on a general consensus across the political spectrum that the state needs to reduce its role in areas where the private sector can deliver and concentrate its resources and efforts in other areas where market forces are unable to deliver services effectively and equitably. This in effect means that in the future, the role of the state will be confined to national defense, maintenance of law and order, civil and criminal justice, provision of core services to the poor in the areas of health, education and social security, disaster management and sustainable natural resources management. These functions alone are enough to tax the administrative and financial capacity of the state.

Recruitment; induction; compensation:

If this indeed is the canvass for the civil service to work on, then what are the requirements in terms of skills, aptitude and training, which are to be ensured in the civil service to undertake these tasks effectively? What kind of policies, institutional arrangements and enabling rules are required to attract, retain and nurture the requisite quality of human resources in the government?

As state control, regulation and direct intervention for allocation of resources reduces, the civil service will no longer be a vehicle of upward mobility and will afford lesser opportunities to its members for enjoying power and social status. The civil servant would now be primarily concerned with facilitating the task of equitable and inclusive governance in a transparent and participatory manner. Is the present recruitment process capable of selecting aspirants with the right aptitude and motivation for this job? Will the proposed system of recruitment of younger aspirants for more intensive training yield the desired results? How do we ensure a congruence of 'values' between the officer and the system?

A comprehensive review of the induction and foundation training inputs for new entrants into the civil service is also required in view of the changes in the role of the civil service. There has to be a special focus on developing strategic thinking and leadership skills among the new recruits. Moreover, technical knowledge and skills should be imparted for understanding, supervising and improving performance in the sectors which are likely to be the priority sectors for state action in the future. The major capacity lacking in the civil

services is not so much effective implementation of rules and regulations but in problem solving. This requires considerable analytical thinking, risk taking and leadership. It is also felt that in view of rapid urbanization of the country, adequate attention should be paid to issues of effective urban management.

The compensation payable to civil servants is determined on the basis of the recommendations of the Pay Commissions set up periodically by the government. It is true that consequent upon the implementation of the recommendations of the Fifth Pay Commission, the civil service as a whole has become a 'high wage' civil service. However, the compensation paid to officers of the higher executive services is grossly inadequate when compared with the remuneration for jobs in the private sector with similar levels of responsibility and task complexity. The economic growth of the last decade has opened up enormous opportunities for talented professionals within the country. In this context, the 'below market' pay and benefits offered by the government to senior civil servants poses a serious challenge in recruiting and retaining good quality human resources in the government.

Training

The training and capacity building of the civil servants is crucial for ensuring optimal utilization of their potential and for achieving organizational objectives. The government has recently introduced a new system of mid career training for IAS officers which seeks to identify and build upon their strengths so as to develop and make available 'domain expertise' in different areas of governance as officers advance in their careers. The training is designed to expose officers to the best in terms of knowledge and practice available worldwide. An important mechanism which will be used to provide critical inputs in this capacity building exercise is the new system of Performance Appraisal reporting which has replaced the archaic, non transparent and unilateral system of ACR's (annual confidential reports). The government needs to spread out these initiatives and make them applicable to all organized services with modifications where required.

Equally important is the capacity building of functionaries at the cutting edge level of the administration, especially those coming from the State Civil Services as their performance is vital for service delivery. The Administrative Training Institutes (ATIs) at the state level have an important role to play in training district level officers and service providers. However, with the exception of YASHADA in Maharashtra and MCR-HRD in Andhra Pradesh, most ATIs are unable to play an effective role, as their proper functioning does not appear to be priority for state governments.

Transfers

A judicious, consultative and transparent policy of transfer and placements of officers helps in optimal utilization of the capabilities of civil servants and also provides them with avenues for job satisfaction. Unfortunately, however, transfers and placements of civil servants at all levels are being affected in an arbitrary and subjective manner with politicization and corruption having become the hallmarks of the system. Such transfers tend to demoralize officers, disrupt work and destroy efficiency and accountability. This practice,

over a period of time has created ‘perverse incentives’ and tends to make the civil service pliable, politicized and corrupt.

The central government has been requesting states to ensure a minimum tenure for officers but has been unable to institutionalise this either at the Centre or in the States. There is therefore an urgent need to enact a law for providing stability of tenure to the incumbents at various levels. The law can also spell out the minimum tenure for different important posts like the chief secretaries, district collectors and superintendents of police. The government must compensate officers shifted prematurely before completion of their tenure. This kind of a system however necessitates the setting up of an impartial, transparent and merit based mechanism for placement of officers in different posts. It is therefore also necessary to set up Civil Service Boards in all states consisting of eminent persons representing different stakeholders who can recommend placement of officers based on their career profile and preferences submitted directly online to the Board

Lateral Entry and Mobility

Over the years, there has been an expansion in the in-house talent pool available to the government – officers from diverse academic and professional backgrounds have entered the civil service. On the other hand, there is a vast resource base of highly competent and accomplished professionals in the country including managers from the private sector and academicians whose services can be utilized for nation building. Unfortunately, the existing rules and regulations do not facilitate this process in any way. The All India Service Rules and the rules governing the Central Services classify the services rigidly and lateral recruitment is not possible except at the entry level or one level above the entry level. Even this provision has rarely been used. Only the technical ministries and the Planning Commission have inducted experts regularly. The government must encourage lateral entry into the civil service at least at three different levels by offering substantive roles and responsibilities and adequate compensation to the right candidates. Reactions from serving personnel are inevitable and need to be managed properly.

The existing service provisions provide adequate scope for mobility within the government for civil servants by way of depositions and even absorption. However, opportunities for mobility outside the government are limited. The All India Service Rules permit depositions to the private sector and NGO’s but these provisions are not used liberally. Some state governments have devised progressive policies, which can be replicated in other states also. For instance, Kerala, West Bengal and Maharashtra allow their employees to take up alternate employment in India / abroad by allowing them to take leave for up to five or fifteen years while protecting their seniority and retirement benefits. With the introduction of contributory pension schemes, there would be no burden on the government. On the other hand, apart from providing some financial security, it would help the officers to gain useful exposure to good work practices and more demanding work cultures. In fact, there is a need to encourage mobility between the government sector, NGO’s and academia to enhance cross-sectoral learning.

Contract appointments have also been used for appointing consultants for specialized jobs. Converting some of the regular posts into contract posts especially where

adequately skilled professionals are not available in the government can also expand the scope of such employment. Needless to say contractual employment with its attendant insecurity will have to be rewarded considerably more than the tenured appointments. Yet for those who are confident of their skills and their marketability, this may be an attractive option to the normal discipline of cadre control and transfer unpredictability.

Skill imbalance

Another problem faced by the civil service today is the skill imbalance in its composition. About seventy per cent of the manpower in most state governments consists of support staff. Whereas there is a paucity of front line service providers in core public services, like ANM's and doctors in the health sector, Anganvadi workers and Supervisors under the ICDS, teachers in schools and so on. The government is not adequately staffed with the right quality and quantity of human resources to undertake service delivery satisfactorily. Therefore, there is a need to cut the flab and expand the human resource base to increase the outreach of core services.

Delegation, Autonomy and Accountability:

There is also a need to enhance delegation and provide autonomy to the civil servant in his day-to-day work. It has been observed that the civil service responds with swiftness and efficiency wherever adequate power has been delegated to the executive levels and accountability for performance has been clearly fixed. This is especially true of crisis and disaster management situations when existing hierarchies and procedures have been set aside. It is extremely important to ensure proper delegation of authority and functions to younger civil servants at junior levels and communicate the job expectations clearly to them. Failure to do so not only results in non-performance but also breeds frustration and cynicism.

Today, there is accountability on the part civil servants only for procedural compliance and reporting to superiors in the hierarchy. There is little accountability for results and outcomes. There is no political pressure to make the service providers accountable for outcomes. Though instruments like the Right to Information Act and Citizen's Charters have been brought in to enhance accountability, the hierarchical traditions in society, and the abject poverty and illiteracy of the people prevent them from using these instruments. Therefore there is a need for civil society mobilization and exertion of pressure on the political executive for rigorous monitoring of the tangible outcomes of public expenditure and public service actions. Moreover, wherever a community of stakeholders can be clearly identified, responsibility for services should be transferred to them so that the stakeholders can wield authority and take charge of their lives.

Dealing with Corruption

The degree of corruption in the country, assessed both by domestic and international agencies, is a disgrace and a reflection on our system of governance. While we have eliminated, by and large, rents in the provision of private sector goods and services through

liberalization and increased market competition, the state service sector lags behind this trend. The existence of corruption in the delivery of free and subsidized services by the state sector is a major challenge. We must set an agenda, which eliminates this corrosive tendency before it destabilizes and de-legitimizes the very system of governance in the country. The civil services are key to this effort to good governance. It has to rise to this challenge.

Corruption is pervasive at all levels in Indian society and in the political domain and, as a consequence, administrative institutions and processes are mired in corruption. The system of monitoring and preventive and investigative action by vigilance and anti corruption agencies is ineffective and, often, counter productive. The state vigilance agencies especially are not independent enough to make any dent in the system. Disciplinary proceedings are long drawn and even references to the Public Service Commission or Vigilance Commission evoke delayed responses. In a nutshell, it can be stated that the existing mechanisms to prevent corruption are not effective and the penalties are not deterrent.

Only a combination of technology, transparency and competition can, to some extent, control corruption in public services. But elimination of corruption requires reforms in the larger political and electoral systems as the demand for illegitimate funds emanates from these systems. While a good beginning has been made with the introduction of the Right to Information Act, it is now imperative to do away with the 'single directive' system which is widely seen as an attempt to protect corrupt senior officers. It is also important to enact the Corrupt Public Servant (Forfeiture of Property) Act and the Whistle Blower Protection Act as suggested in the 166th and 179th reports of the Law Commission. Individual departments can take initiative at their level by making available the property returns and tax returns filed by their officers on the departmental website. Similarly, public interface should be reduced, and third party inspections can be encouraged

Sovereign Functions

Of the main sovereign functions, national defense, law & order and civil & criminal justice, the last two are in total disarray. Nearly half the electoral constituencies are "disturbed" and nearly 150 districts are subject to anti-state activity by organized militant groups. Our cities have been subjected to terrorist attacks motivated by Pakistan and the state of Jammu and Kashmir and parts of the North East require substantial military presence to protect law-abiding citizens and enable execution of the work of government. Much of the poor law and order situation is a result of the police-politician-criminal nexus and unless this is arrested and reversed, the polity will lose legitimacy. The role of the Indian Police Service and its subordinate services is critical in this situation both in building up internal capacity and numbers and resisting local and other political pressures hindering their mandated duties.

Considerable part of the responsibility for deteriorating law and order also falls on the civil and criminal justice system. With its antiquated procedures, ineffective discipline and poor productivity, the country has nearly 3 crore cases pending in the country's courts. The justice system needs re-engineering and introduction of modern processes and methods

and a consequent increase in the productivity of judges and lawyers. The justice system needs to deliver quality services in time just as much as the health system does.

Unless justice –both civil and criminal– are delivered promptly the notion of a just state vanishes. The system is beset with suborning of witnesses; the buying-off of state prosecutors and the influencing and bribing of judges, which makes crime pay and criminals complacent. In civil cases, such a lot of time and money is spent in delaying the process purely that it would seem designed to intimidate respondents and defendants. The public perceives, with some reason, the corruption of the justice system as a sign of state failure and tends to resort to non-state actors for remedy. This cannot continue without dire results – some of which are apparent already. Both lawyers and judges need to evaluate their performance before their legitimacy in the public view disappears totally.

The above factors vitally affect the whole range of governmental activity, accountability and other efforts to ensure social justice.

What is a Good Administrator?

The great statesman, Sri C. Rajagopalachari said 52 years ago while delivering the first Sardar Patel Memorial Lecture:

“The authority of Parliament or the State Legislature must be and is supreme, but it would be frustrating the aim of democracy to let the influence of political or social groups functioning in the legislature or outside to affect recruitment or promotion in the services. In emancipated India, it was the hope that politicians who were born in revolution and civil disobedience should soon learn to become administrators. But this process has been slow. Instead, at the other end, administrators are perhaps tending to become politicians, which is bad.... What is essential at the top is the capacity to judge upon relevant advice and to decide promptly and rightly in executive matters.... To decide in matters executive, quickly and correctly, is a gift of the gods. And this is it that makes a good administrator.”

Summary

Overall, it will be seen that with the accelerated growth of the economy, the liberalization and dominance of the market combined with rising expectations of the poor, the governance system faces serious challenges. The country is surrounded by a neighborhood of “failed” or “failing” states. Within the country itself, symptoms of state failure appear increasingly. While the economy continues to grow it appears that the state apparatus is in decline where outcomes of valuable public resources are concerned. A thorough restructuring of the civil services and more vitally its relationship to the political system needs to be undertaken if we are not to join our neighbors in their unhappy state.

Panel Discussion on Governance Challenges in Resurgent India

Chairman: Shri T.K.A. Nair, Principal Secretary to the Prime Minister

Panelists:

*Dr. R. Chidambaram,
Principal Scientific Adviser to the Government of India*

*Shri J. P. Batra,
Chairman, Railway Board*

Attracting Young People to Careers in Science

Dr. R. Chidambaram, Principal Scientific Adviser to the Government of India













Realizing Human Resource Potential

Shri J. P. Batra, Chairman, Railway Board















Summing Up

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

Friends, taking into account the constraint of time, permit me to hastily conclude this afternoon session. Before doing so, as the topic of discussion is 'Realizing Human Resource Potential'. I take the liberty, particularly take advantage of the absence of the Comptroller & Auditor General of India and the Chief Vigilance Commissioner to make one observation in a lighter vein that vigilance enquiry motivating the public servant, could be more effective. Not for a moment am I dismissing the relevance of audit or vigilance processes, but to my mind motivating human beings particularly people in Government who are holding senior positions, is far more important than any number of manuals, any number of audit paragraphs and the time and energy we spend in chasing them and producing moles out of mountains.



Shri T.K.A. Nair summing up the Panel discussion

Gentlemen, forgive me for making that observation, but I am taking advantage of the presence of the Chief Secretaries and other officers from the State Governments and with the permission of the Cabinet Secretary, may I make a suggestion that when you go back, perhaps, it may be worth while for you, to consider as a part of the motivational process to have something like the Civil Service Day in your States once in a year, something like an Award for Excellence, particularly confining to the Civil Services of the State. We

have awards, we can have other methods of recognizing excellence in various aspects, very many areas of human endeavour, they are all most welcome. These are all based on the premise that human beings need to be motivated. Let us build that kind of a motivation award even for senior civil servants.

Mr. Chidambaram, Mr. Batra thank you very much for your presentations. Ladies and gentlemen, thank you very much, particularly, those who participated in the discussions. I also make use of this opportunity to congratulate the Cabinet Secretary, the Secretary of Administrative Reforms & Public Grievances and the Secretary, Personnel for arranging this Conference and providing an opportunity for a large number of civil servants to get together and interact with each other. Thank you very much.

*Panel Discussion on
Governance Challenges in Resurgent India*

Chairman: Shri B.K.Chaturvedi, Cabinet Secretary

Panelists:

*Shri Vineet Nayyar, IAS (Retd.)
Formerly Chairman of the Gas Authority of India Ltd.*

*Shri V.N.Kaul,
Comptroller & Auditor General of India*

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

Excerpts from Presentation

Shri Vineet Nayyar

Formerly Chairman of the Gas Authority of India Ltd.

Good Governance is a pre-condition for initiating and sustaining growth. Economic growth or economic resurgence in India is limited to certain schemes of the polity and the benefits of growth have been asymmetrical and a large section of the society has been excluded from its benefits. Reducing that area of exclusion is necessary for the stability of the civil society. Trickle down will have some impact but in itself is not going to be adequate.



Shri Vineet Nayyar making his Presentation

Let us look at governance firstly. In its most basic form, governance aims at providing security of life and property, rule of law, transparency in public conduct and competent delivery of services which the State selects to provide. It could again be infrastructure, drinking water, education and the basic debate is how competent we are at the delivery of these services. Another significant part of governance is whether we are creating an environment which is conducive for the economy to grow optimizing as it were, its resources.

According to James Madison, firstly government must be able to control the governed and secondly, it must be able to control itself. This means we must create an order, ensure order and promote individuals to go about their business. There is a part of India where rule of law seems to have lost its teeth. Even more importantly, the Courts are choked, litigation goes on forever and in the case of commercial disputes, they remain unresolved. We have reached a situation where we have ungoverned and over-regulated.

The basic issue is that governance is *sine qua non* for any growth and if we fail in that, it will be the greatest danger to our potential which is now recognized. The challenge in public life is- how do we strengthen public institutions which are seen as pillars of the civil society. The other important part of governance is- 'what is the kind of economic environment, which we can create which will reinforce the current resurgence'.

We should remember that wherever scarce services are given away free or below economical cost, the demand will exceed supply, the quality will fall and an unofficial market will come into existence. In such a market, the will of the rich and the influential will prevail over those of the poor and deprived. So, in a number of schemes whose rationality exists on poverty, on doing good for the poor, in fact, has not helped the poor.

The productivity is very poor in the various projects that we have set up with large public expenditure. The fact is, in power and distribution, the productivity of the labour in public sector was about 8%, that in the private sector it was 20% whereas it was 100% in US. Productivity in Electricity Boards as compared to Korea was 1%. The productivity in retail Banking, in the public sector was 10%, 55% in private sector and 100% in US. The Economists will say, this is a labour surplus economy and therefore even if the productivity of labour is low, it really does not matter. Once upon a time, perhaps, this argument had some logic but not any more, because our market is not India, it is the world and to survive in that, productivity becomes extremely important.

In terms of qualified Engineers, we have double the number than that of China. Management skills available in India are being recognized globally. Indians hold many top positions abroad.

Let us look at the 3 major drivers in resurgent India, namely, Information Technology, Pharmaceuticals and Telecommunications. Today, we have 20 million mobile phones. Further let us look at IT. Other than some fiscal benefits, this area has got no investment from government and yet it has become the largest employer of skills.

We are spending huge money on providing subsidy on petroleum products. It has helped the car owners and the persons who travel by bus but basically did nothing for the poor. If this Rs.70 or 80 thousand crores had been spent on roads, we could have doubled our golden quadrilateral or look at the relief which we could have provided in the area of education. It is time we stopped using poverty as the basis for this kind of programmes.

Right economic policies can do much more than public investments. Certain States in the South had changed their education policy, made it much more easier to

handle, where private engineering schools could come up. Planning Commission should prescribe policies which could give us a higher trajectory of growth instead of allocating funds. We have to upgrade our ITIs and impart education which suits the requirements of our industry.

If we want Resurgent India, there has to be two things; one is excellence and the other is nimbleness. Excellence irrespective of colour or creed and nimbleness to take decisions which the market demands.

Excerpts from Presentation

Shri V.N.Kaul

Comptroller & Auditor General of India

Good Governance could be defined essentially by the following 5 characteristics.

- First, participative management based on a democratic foundation
- Secondly, legitimacy of government based on rule of law
- Thirdly, equity and inclusiveness
- Fourth, transparency and openness and accountability both fiscal accountability and management accountability, and
- Lastly, the effectiveness of government operations and ensuring coherence of government policy. Coherent policy making is an essential attribute of Good Governance.



C&AG speaking during the Panel Discussion

Presently, we are placing more emphasis on outcomes over outputs. This is necessary for improving the quality of delivery of services in the Government. But the importance of modern outcome-based monitoring and evaluation with necessary changes in financial administration and accounting practices have not been recognized in India so far.

If we want to move to a system which focuses more on results and outcomes rather than inputs and provisioning in the budget, the basis of accounting would require a fresh look. Currently, we follow what is called cash basis of accounting. The cash basis of accounting has its great advantages. It is specific, ascertainable, easy to understand and implement, but for purposes of financial analysis and particularly for purposes of guiding government into sensible direction and more comprehensive decisions, we should think of shifting from cash based accounting to what is called accrual based accounting. That means that the accounts must reflect not only the immediate impact of decision taken but their long term implications also, both on asset side and on the liability side. The current practice of making a token provision in the budget committing on a project of endless cost, calling it a political decision should be discouraged. But the accounts do not guide us to realize this very obvious absurdity of the decision and therefore, one of the fundamental decisions we have to take if we want to improve governance, is to change the basis of accounting from cash to an accrual basis.

Much greater autonomy is required to departments and responsibility for the budget and accounts of the departments has to be delegated to the ministries by introducing a system of departmental accounts and empowering the Chief Accounting Authorities, who incidentally are the Secretaries to the Government, as provided for in the General Financial Rules. This would lead to a greater sense of ownership and responsibility for the accounts, and not for just the expenditure of the Department. This is again a necessary reform that should take place to improve governance in India.

There is no point in having outcome budget without key performance indicators having been established. Deciding on key performance indicators is a fundamental pre-condition for improving the operational efficiency of the government and thereby improving governance.

There is no doubt that e-governance is a facilitator of Good Governance. But there is no point in computerizing manual processes without sufficient re-engineering, with questionable cost benefits. Necessary care should be taken in this area without blindly accepting the vendor's view point, and also to avoid wasteful expenditure.

On the issue of public-private-partnership, we have to evaluate the risk reward relationship and also ensure sufficient competition before selecting the partner. Any laxity in this regard would entail additional expenditure on the part of the Government to keep the initiative going.

Decentralisation in certain cases has had a dramatic effect in increasing productivity. But in all such decentralization, adequate accountability structures should be built in. The waste involved in unaccountable decentralization is enormous and the outcomes will not match the inputs.

A radical new approach to promotion of economy, efficiency and effectiveness of government operations is called for. To improve overall productivity of government operations, elimination of waste is absolutely necessary.

Excerpts from Presentation

Dr. Montek Singh Ahluwalia
Deputy Chairman, Planning Commission

It is very important to recognize that Government is meant to deliver certain things and it is also meant to deliver them in an environment where people feel that there is Good Governance. We are actually delivering quite a lot, but we are not delivering the perception of Good Governance and there may be actually in substance pretty poor governance in some areas. There is a need to reconcile these two things because in the end, it is the delivery of services and delivery of outcomes that will swamp judgements.



Dr. M.S. Ahluwalia in the panel Discussion

One of the most fundamental things that Government must deliver is law and order and it could be unambiguously said that there is deterioration in this area. When growth is taking place, new communities and groups are beginning to move forward and the change in their social status is being resented by the left out groups. We are failing to create an environment in which this conflict could be managed without deteriorating into a serious law and order problem. Secondly, if we are to develop in a socially inclusive way, this can be done through development of infrastructure. PPP is a good model for developing infrastructure.

Power sector needs our special attention. If you really want to kill a sector, you should price its product free. That could win one election but will almost certainly lose

all subsequent elections because it has no logic in economics. There is urgent need to check T&D losses. Some States like Andhra Pradesh & Tamil Nadu are doing well in this area. Application of IT to monitoring in this area will be able to check losses and could make a huge difference to efficiency.

Information Technology is useless unless it leads to complete process re-engineering, otherwise it is just adding an incredibly expensive computer which does absolutely nothing. Hugely impressive gains in public service delivery can be achieved through deployment of IT but it can only be done if we basically process things completely differently. Similarly, by employing technology we can check any malpractices in other areas.

We are not doing well in sectors like Health and Education. These cannot be left to the private sector; the Government has to provide at least the base level and then people who want better, can look to private sector etc. Nothing would make a bigger impact if 5 years from now people were in a position to say- public school system has really improved and broadened access and health system has also improved.

Public sector money should go into the North East, Bihar and into Naxal affected areas where no private sector is going to come. In other areas where people are happy and willing to pay, PPP should be encouraged.

Andhra Pradesh has introduced a very interesting new scheme “Arogyashri” scheme for health insurance where basically people are buying and the State is subsidizing the poor in some districts. The insured can go to a large number of hospitals in public or private sector. Similarly there is a scheme called “Yashaswini” in Karnataka. The idea is that Government need not put up public sector hospitals. In view of the intended increase in the health expenditure from 1% of GDP to say 2% of GDP in the 11th Plan period, it would be good to look into such innovative schemes in the health sector.

There is need to introduce impact evaluation of various schemes. Just spending money on building a school is not important. What we should measure is whether our children are getting good standard of education. There is a need to attend to the basic issues of providing clean drinking water and sanitation. By doing this, we could avoid large number of diseases.

When we step back and take a look at the whole picture, it would suggest that there are a lot of areas for improvement and there are also a lot of problem areas. There is a need to look at the way we run things and introduce good management practices. It would be a good idea to have a Cell in the Cabinet Secretariat to look at the ways in which Government proposals are designed, where we are likely to go wrong and what are the remedies. Planning Commission could also do such a thing but frankly, it is not easy. Overall, Government should look at our management practices and strengthen things in the system that could improve governance.

Summing Up

**Shri B.K.Chaturvedi,
Cabinet Secretary**

I had to make some closing remarks, but I am afraid that because of shortage of time I would confine my closing remarks to only thanking the panelists. I think this has been an extremely rewarding experience for me personally and I am sure it will be for all those present here. The points of views which have come on how the infrastructure is doing well and the status of education and health; there are issues about accounting, issues of rule of law, competition relating to governance *vs* the rate of growth and to what extent the two are correlated; issues relating to public-private-partnerships, have been raised here and I think these have been very well discussed.



Cabinet Secretary concluding the Panel discussion

I wish we had more time to dwell on some of these issues which are really very vital for all of us, but what we plan is to circulate the complete compendium of the presentations made here and the issues raised so that this can be used as background material for discussions in future.

I take this opportunity to thank all the panelists, our Deputy Chairman, Planning

Commission, Dr. Montek Singh Ahluwalia; I thank Mr. Vineet Nayyar and I thank Mr. V.N. Kaul, the Comptroller & Auditor General of India for their presence here and for their participation. I thank all my colleagues, who has sat very patiently. Many of them even did not raise questions, which could have diverted their mind and they have sat quietly. I really thank them for their patience.

I thank all the Chief Secretaries and all my young colleagues, who have come from far and wide to participate on this occasion in this Civil Service Day. I hope all they have found this as rewarding, as I have found it.

Here with these words, we come to the close of this session. Thank you.
