

सिविल सेवा दिवस Civil Services Day

April 21, 2012

**Background Papers
for
*Panel Discussions***



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

Civil Services Day

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Background Papers for Panel Discussions



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

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Format of the Panel Discussions

Three parallel sessions would be held as mentioned below :-

- (a) Security for the Marginalised: Vision for a Caring India - Hall No. 4
- (b) Civil Services in the 21st Century: Responding to Emerging Challenges - Hall No. 5
- (c) Information Revolution: Challenges of an Open Society - Hall No. 6

Time available for the panel discussion is one and forty five hours i.e. from 1200-1345 hrs. Broadly speaking, it is suggested that the time available may be apportioned as follows :-

- (1) Presentation of issues by Knowledge Partners - 8 minutes
- (2) Presentation of subject by chairperson - 12 minutes
- (3) Presentation by other panelists - 30 minutes
- (4) Suggestions by participants/open house discussion - 55 minutes

The knowledge partner would be presenting issues for discussion. The Chairperson would give his views. After that, other panelists would be requested to give their suggestions. In the interactive session, participants may be asked to introduce themselves and be specific and brief on their interventions or questions.

The Coordinators would support the chairperson and panelists in finalizing the recommendations and in preparing the presentation for the Valedictory Session. Suggestions and action plan would be presented in the Valedictory Session (1445-1515 hrs) before the Principal Secretary to Prime Minister and Cabinet Secretary.

Theme

Security for the Marginalised: Vision for a Caring India

Panelists

1. Sh. Mukul Wasnik, Minister of Social Justice & Empowerment
2. Ms. Anu Aga, Chairperson, Thermax Board
3. Dr. Narendra Jadhav, Member Planning Commission and Member, National Advisory Council
4. Sh. Harsh Mander, Member, National Advisory Council

Knowledge Partner

Pricewaterhouse Coopers Pvt. Ltd.

Coordinator

Ms. Ghazala Meenai
Joint Secretary, Ministry of Social Justice & Empowerment

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Need for Social Security

Being a welfare state, India aims and strives to ensure the economic growth and upliftment of its people; however, even after more than 60 years of independence, India remains a developing nation where almost two out of five people still live below the poverty line¹.

Being a welfare state, it is imperative that the government ought to provide some kind of assistance- monetary or otherwise- to such people. This is precisely what “Social Security” means. The objective of social security schemes is to provide long-term sustenance to families when the earning member is unable to do so (which could happen in various cases- retirement, death or disability). Thus, the social security system acts as a facilitator - it provides insurance and assistance and empowers people to plan and secure their future.

A key aspect of social security schemes is that they require active support and involvement of employees and employers. A worker/employee is the root, the basic source of social security protection for himself and his family. On the other hand, the employer is responsible for providing adequate social security coverage to all his employees.

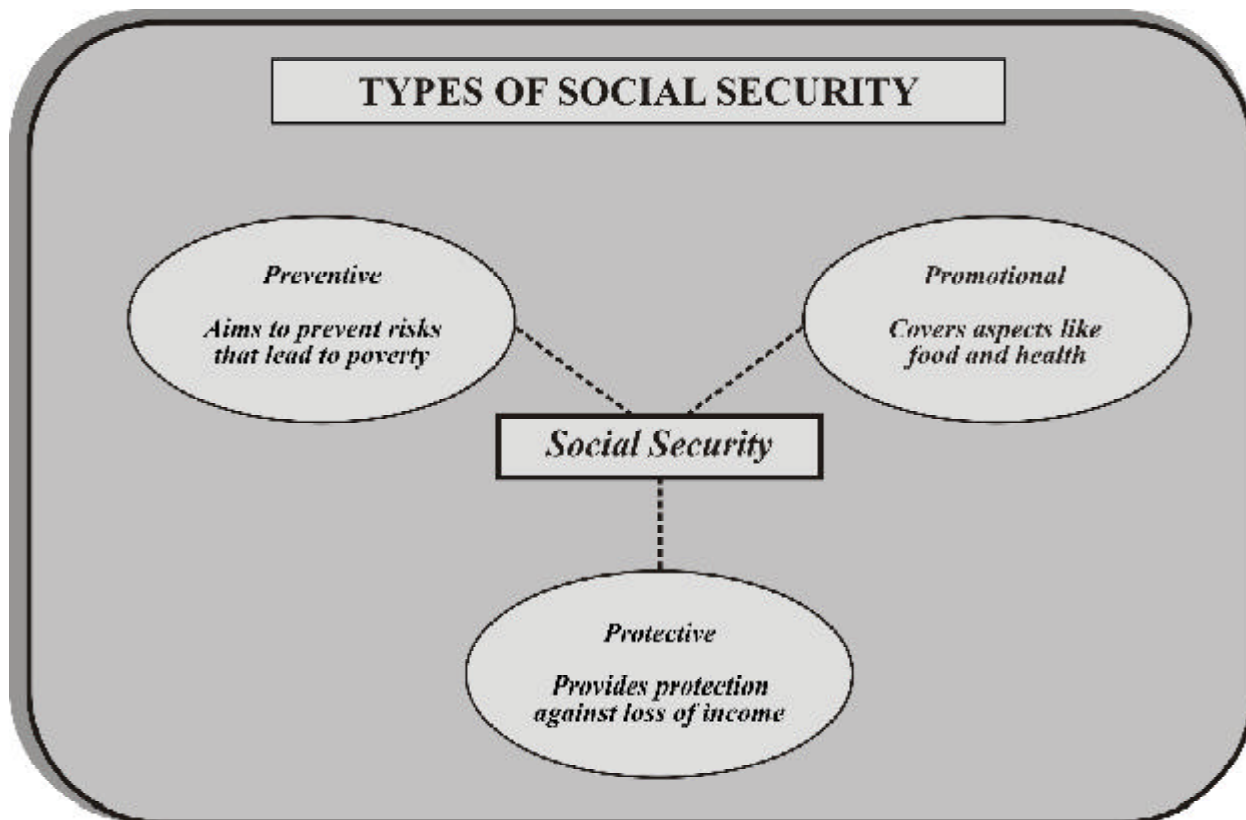
Traditionally, the defining feature of India has been its joint family system that ensured that the social security needs of all its members were met. This support system has been particularly effective for the old, ill and disabled family members. However, in the recent years, there has been a drastic change in demographic patterns - the joint family is gradually giving way to the nuclear family. All this has necessitated the requirement of a formal, organised and potent social security system.

Social Security - Types and Mechanisms

There are basically three kinds of social security:

- Preventive security aims to prevent risks related to poverty;
- Promotional security covers aspects like food, housing, health and education;
- Protective security provides for protection against contingencies that lead to reduction or cessation of income. (These contingencies, as identified by the ILO are medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivors benefit.)

¹ An estimated 37.2% of Indians live below the poverty line, according to 2010 data from the United Nations Development Programme



These three types of security are being elaborated upon below:

Preventive security seeks to prevent poverty and aims to bring people below the poverty line above the poverty line. Examples of preventive strategies are- preventive health care, vaccinations against diseases etc. Most preventive social security schemes are of the type “social assistance”.

Promotional social security is delivered through nation-wide schemes and programmes like Public Distribution System, Integrated Child Development Programme, Rural Employment Programmes, etc. It is primarily targeted at the BPL (below-poverty line) households. There are various problems with promotional security- inaccurate targeting, inefficient delivery, leakages, corruption etc. Moreover, these schemes are only schemes; the workers do not have any rights as such to demand their rights. In certain cases these rights may exist on paper, but on the ground, the beneficiaries are practically powerless to demand them.

For **protective social security**, various schemes and programmes exist, both at the Central and State levels, that seek to provide social protection to the marginalized and the under-privileged. However, these schemes have been developed at various times in response to the needs and exigencies of those times. There is no uniform, consistent guiding policy that has driven the design and implementation of these schemes.

Existing provisions for social security

Issues pertaining to social security have been listed in the Concurrent List and the Directive Principles of State Policy.

Concurrent List (List III in the Seventh schedule of the Constitution of India-

- **Item 23:** Social security and insurance employment and unemployment
- **Item 24:** Welfare of labour including conditions of work, provident fund, employers' liability, workmen's compensation, invalidity and old age pension and maternity benefits

Part IV- Directive Principles of State Policy

Article 41- Right to work, to education and to public assistance in certain cases. The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

Article 42- Provision for just and humane conditions of work and maternity relief. The State shall make provision for securing just and humane conditions of work and for maternity relief.

Social Security Mechanisms

The various **strategies** for delivering social security in India are as follows-

1. **Social Insurance-** This involves participation of the beneficiaries, who pool in both their resources and their risks. Benefits are ultimately provided to those who face contingencies, and are in need of support and assistance.

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2. **Social Assistance-** This is financed by general revenues (mainly taxes), and benefits are provided to those who need them the most. Thus, the beneficiaries of these schemes are mainly the people who live below the poverty line.
 3. **Employers Liability Schemes-** These schemes make the employer liable to provide a pre-defined amount of social security to the employee. Contributions are typically made both by the employee and the employer.
 4. **National Provident Fund**

Various **legislations** have been enacted with the intention of providing social security to the needy. Some of these are as follows-

- a. **Right to work-** The directive principles of State Policy in the Indian Constitution refer to the Right to Work. According to Article 39, the State should ensure that “citizens, men and women equally, have the right to an adequate means of livelihood” and that “there is equal pay, for equal work, for both men and women”. According to Article 41, “the State shall, within the limits of its economic capacity and development, make effective provision for securing right to work....”
- b. **Right to education-** The Right of Children to Free and Compulsory Education (RTE Act) came into effect on 1st April, 2010, and has been hailed as a landmark in the field of education. This Act provides for universal, free and compulsory education for all children upto 14 years of age.
- c. **Right to employment (MNREGA)-** The Mahatma Gandhi National Rural Employment Guarantee Act was enacted on 25th August, 2005. It provides a legal guarantee of 100 days of work per financial year, to adult members of any rural household willing to do unskilled labour at prescribed minimum wages.

The government has also started implementing some ambitious **schemes** such as health insurance and maternity benefits for those below the poverty line. Let us have a look at some of these schemes:

- a. **Rashtriya Swasthya Bima Yojana-** This is a government run health insurance scheme for the poor people. It was launched on 1st April, 2008 and as of February 2011, 23 million families have been enrolled. This scheme is available to BPL families, and is run on a shared financial contribution by both the Central and the State Governments. Private insurance companies provide coverage against risks.

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- b. **Janani Suraksha Swasthya Yojana-** This is a central government scheme that aims to reduce maternal mortality ratio and infant mortality ratio. All BPL women above 19 years of age are eligible for this scheme, upto two live births, and are entitled to an amount of ₹ 500 in the last trimester of pregnancy (an additional ₹ 100 in case of institutional delivery).

Labour and Workforce - the Indian Scenario

In order to appreciate the need for social security in India, the issues faced by the labour force in the organised and unorganised sectors need to be analysed. The **organised sector** refers mainly to those establishments which are covered by the Factories Act, 1948, the Shops and Commercial Establishments Acts of the State Governments, the Industrial Employment Standing Orders Acts, 1946 etc. On the other hand, the **unorganised sector** is characterized by markedly different features- absence of labour laws, seasonal and temporary nature of work, high labour mobility, lack of organizational backing etc. All these factors make the unorganised sector more prone to socio-economic hardships. In the rural areas, this sector consists mainly of agricultural labourers, small and marginal farmers, people engaged in animal husbandry, fishing, horticulture etc. In the urban areas, it consists mainly of manual labourers in construction, carpentry, transport and various other sectors, and also street vendors, hawkers etc.

Workers in the organised sector enjoy several benefits- they have adequate and reliable access to social security, have secure jobs and price-adjusted salaries, and are protected by law against loss of income (which could happen due to various reasons- illness, disability, maternity, old age, death etc). Workers in the unorganised sector do not enjoy these benefits.

It is estimated that the size of the Indian workforce is around **450 million**. Out of these, only about 7% of the workforce falls under the organised sector. The rest of the **93%** falls under the unorganised sector. Further, the unorganised sector has been growing steadily since independence due to various factors- shift from factory to home based work, subcontracting of work by large companies to small companies/small scale units etc. There is no direct relationship between the employer and the worker. Further, small scale units usually do not comply with social security norms. Now, the unorganised sector contributes to around 60% of the national income, yet, it does not have adequate and reliable access to social security!



The ubiquitous “Chhotu”

India is one of the most alarming cases of child labour in the world. Despite the existence of clear, strong laws to prevent this practice, the implementation is extremely weak and far from being complete².

Unorganised Workers’ Social Security Act, 2008

The Indian Parliament passed the **Unorganised Workers’ Social Security Bill** in December 2008. This Act seeks to provide several welfare measures to workers in the unorganised sector, and has been described by many people as the first concrete step since independence to remove the difficulties of the poor. 34 crore workers have been targeted to be covered in the period 2008-13, and agricultural workers and migrant labourers have also been included in the ambit. Workers would get the benefit of health, life and disability insurance, old-age pension and the group accident scheme.

Child Labour (Prohibition and Regulation) Act, 1986

This Act, consistent with the directions of the Indian Constitution, was passed in 1986. It seeks to ban employment of children below 14 years of age in **hazardous occupations**, and regulate the working conditions in **other occupations**. Over the years, the number of

² Photo taken from <http://www.guardian.co.uk/business/2010/dec/02/child-labour-hotspots>

processes falling under the hazardous category was increased from 18 to 57 and the number of occupations was increased from 7 to 13. Finally, the children working as domestic servants and those working in roadside dhabas/hotels etc have also been brought under “hazardous occupations”. Needless to say, however, that the implementation of this Act leaves much to be desired- mainly because the problem is extremely deep-rooted and widespread. This is particularly true in the case of domestic servants, hotel workers etc.

Social Security for the Disabled

India has a substantial proportion of people who have some or the other kind of disability. Needless to say, this group is highly vulnerable to socio-economic hardships and needs assistance. **The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995**, seeks to empower people with disabilities. Although a step in the right direction, the provisions in the Act are not strong enough to provide the required amount of support to the disabled. Detailed data is now available for various parameters pertaining to the disabled population, and this can help in better planning and designing of the required schemes. Particular attention needs to be paid to the following groups within the disabled population: BPL parents with disabled children, unemployed disabled persons who can be employed, unemployed disabled persons who cannot be employed, people over 60 years of age who are disabled, disabled women, disabled widows etc.

Type of disability	NSSO, 2002 (lakh)	Census, 2001 (lakh)
Locomotor	106.34	61.05
Visual	28.26	106.35
Hearing	30.62	12.62
Speech	21.55	16.41
Mental	20.96	22.64
Total	207.73	219.07

Table 1- Number of disabled people, categorized by type of disability. Figures from the NSSO and the Census vary because of differences in definitions, as well as data collection methodologies. Also, the disability figures from the 2011 census are not available yet. The latest available figures have been presented although we believe that the 2011 census data is likely to show a significant increase in the number of people who have some kind of disability.

Data, such as given in the table above, can be very useful in designing social security programmes and schemes for disabled people. The type of disability can help in designing suitable and appropriate employment schemes for the disabled.

The benefits (in cash or kind) that can be given to disabled persons are as follows- scholarships for disabled children, pension for disabled elderly people/widows, concessions in various facilities (e.g. transport), compensation in the event of disability resulting from work injury, reservations in various services, tax rebates of various kinds etc.

There are some existing programmes and schemes for the disabled, but they do not address their needs adequately. The main problem with these schemes is that they consider only **employment related disability**. However, the situation on the ground is completely different-most disabled people are unemployed (with a large number being *unemployable* too), and are dependent on their family members for their living. There is a mandatory provision for 3% reservation for disabled people in all poverty alleviation schemes, however, this needs to be effectively implemented. Particular attention needs to be paid to the following points-

1. Universal old age pension scheme for the disabled
2. Universal medical benefits (examples are separate queues for the disabled, free treatment by corporate hospitals as a precondition for granting licenses, etc.)
3. Universal unemployment assistance for the disabled
4. Special schemes for employment and skill upgradation, etc

The **Ministry of Social Justice and Empowerment** has launched some good schemes to help the disabled that address some of the points mentioned above-there are special scholarships for the disabled (for pursuing general, technical, professional and vocational courses), a scheme called Deendayal Disabled Rehabilitation Scheme to promote voluntary action for helping the disabled, a scheme to aid purchase/fitting of appliances, and then there are concessional loans for various kinds of economic activities (for setting up small businesses, purchasing vehicles, for agricultural activities etc).

Several **NGOs** also have been doing great work for this cause. Some of the well known NGOs are- Action for Autism, Action on Disability and Development India, Fellowship of the Physically Handicapped, SAMADHAN (Society for the Aid of Mentally and Developmentally Handicapped) etc. The services provided range from clinical/therapy services and rehabilitation to vocational training courses (carpenter, turner, fitter etc).

Social Security for the Elderly

It is a well known fact that life expectancy in the developed world is high, and continues to rise. However, a lesser known fact is that the ratio of elderly people to the total population is rising faster in the developing world than in the developed countries. As of today, a majority of the world's elderly live in developing countries with little or no pension coverage/ social security. With a population of **80 million elderly people**, which is set to rise steadily in the coming years, India is home to about 1/8th of the world's elderly population³. There are various reasons for this drastic demographic change- these have mainly to do with education, medical facilities and family planning.

Year	Female	Male	Total
1961	11.0	10.8	10.9
1971	11.7	11.3	11.5
1981	12.4	11.7	12.0
1991	12.3	12.1	12.2
2001	23.8	12.5	13.1

Table 2- Old age dependency ratio over the years, shown separately for males and females. Figures from the 2011 census are not available yet. The latest available figures have been presented.

“Old age dependency ratio” basically means the number of elderly people per 100 people who are in the working age group. A basic analysis of these figures reveals that the overall figures have been rising, and the gap between male and female ratios has been rising too, which is a cause for serious concern.

As India’s economy rapidly develops, the traditional joint family system is slowly being replaced by the nuclear family system. This has left the elderly people in a vulnerable situation. Because informal support structures (in the institution of the joint family) always existed, pension schemes have not evolved; there is hardly anything beyond a state financed pension. Also, these have mostly been denied to the workforce in the unorganised sector, and it must be noted that a vast number of employed elderly people are engaged in this sector.

³ Data source: <http://socialjustice.nic.in/pdf/dnpsc.pdf>

Policy makers have suggested several out-of-the box ideas in order to address this problem. One is to enact laws that compel adult children to take care of their elderly parents/relatives. However, this may actually worsen the problem. Another idea is to encourage/force savings for retirement, be it in public or private schemes. Further, the government should design and implement effective old age pension schemes and medical benefit schemes. **The Ministry for Social Justice and Empowerment** has taken some initiatives in this regard- it is assisting NGOs with a scheme called “**An Integrated Programme for Older persons.**” This scheme covers various areas like maintenance of old age homes, running of multi-service centres, maintenance of mobile medicare units, running of day care centres for Alzheimer’s disease/ Dementia patients, specialised mental health care etc. NGOs themselves are doing a tremendous amount of work for this noble cause, some of the famous ones being Helpage India, Agewell foundation and Dignity Foundation. Services provided range from old age homes, medical care, support and assistance in financial/property matters etc.



An elderly woman in India⁴

India is home to about 1/8th of the world’s old population, and the condition of the elderly often leaves much to be desired, despite a traditional joint family system being ingrained in Indian culture. The answer to this growing challenge is an effective social security system.

⁴ Photo source: http://blog.travelpod.com/travel-photo/ians_globe_spin/1/1283431154/old-woman.jpg/tpod.html

Social Security for Children and Women

Besides the disabled and the elderly, there are other groups too which require a strong social security support. Two of the most notable of these groups are **children** and **women**. The problem of child labour has been already touched upon above. India is perhaps the worst countries in the world when it comes to child labour, the obvious reasons being poverty, illiteracy and overpopulation. The condition of “**street children**”, in particular, is pathetic. These children are forced to live their lives virtually on the street, indulging in occupations like begging, rag-picking etc. The possible solutions are numerous, and some have been implemented already like providing scholarships to needy children, subsidising their education, providing vocational training besides education, etc. However, the reach of these measures needs to be widened substantially.

Women are another vulnerable group which needs adequate social security. The plight of widowed, single and divorced women is particularly worrisome and calls for immediate attention. A case in point is the **widows of Vrindavan**, who are forced to live a life of extreme hardship- economic, social, cultural and emotional. Again, there are various possible solutions but are effective only if implemented properly. For example, loans at cheap rates may be disbursed to women so that they can start small scale businesses, vocational training (stitching, weaving, handicrafts etc) can be imparted to make them employable, etc.

The **Ministry for Women and Child Development** has launched various schemes for the benefit of women and children- Rajiv Gandhi Scheme for empowerment of adolescent girls “Sabla” (provides nutrition, awareness building and vocational training), Indira Gandhi Matritva Sahyog Yojana (a conditional maternity benefit scheme), Support to Training and Employment Programme for Women (STEP), Integrated Child Development Scheme (a flagship scheme of the Ministry), Integrated Child Protection Scheme, Balika Samridhi Yojana, Kishori Shakti Yojana etc.

The role of **NGOs** also has been praiseworthy. Some of the well-known NGOs working in this field are- ABHAS (Action Beyond Help and Support), ANKITA (Association for Needy and Kindle the Illiterate through Action), Bachpan, Darpana for Development, Disha, Ekatra, Vijaya etc. Services provided range from vocational trainings and scholarships to healthcare and nutrition.

Problems and Constraints

There are various kinds of roadblocks and impediments in the way of social security in India. Some of these are mentioned below:-

Budgetary constraints- As we know, India is a developing country. Therefore, it is hardly a surprise that there are severe budgetary constraints that hamper the development of social security schemes. Although Central and State Governments have tried their best to design useful and relevant schemes, most of them fall short when it comes to the amount of monetary assistance rendered. In most cases, the amount of assistance is meagre and does not help the beneficiaries much.

Implementation problems- To add to budgetary constraints, there are several problems with the implementation as well. The most obvious one is corruption. However, there are also other challenges like identification of beneficiaries, ensuring that the schemes are run properly, ensuring that existing laws are implemented properly etc. It will not be an exaggeration to say that we have adequate laws to address most problems, but the problem lies only with the implementation.

Problem of universal coverage- Another major problem is that of universal coverage. The various programs and schemes that have been designed for specific people, do not actually reach all of them. There are various reasons for this- improper/inaccurate/incomplete identification and lack of awareness among beneficiaries being the most major ones. Needless to say, any social security scheme- however noble its intentions may be- is not very useful until it reaches all its intended beneficiaries.

Lack of convergence- Both Central and State governments have developed schemes for social security. Further, various departments within these governments have also developed their own schemes, the goals of which overlap in most cases. However, the efforts and the planning do not- this is precisely what lack of convergence means. This leads to inefficient use of funds and resources, and the absence of concerted planning and knowledge sharing further hampers the achievement of common goals.

The Road Ahead

Social security in India has a long way to cover before it comes at par with developed countries. In order to reach there, the following factors are of utmost importance and need to be kept in mind while designing schemes and programmes:

Monitoring- It is extremely important to monitor the efficiency and success of programmes and schemes. As we all know, the current scenario in India is dismal with grossly inadequate checks on corruption, let alone inefficiency. Strict and effective frameworks need to be put in place to ensure that the schemes are producing the intended results, as crores of rupees are being spent every year on them. Some recent developments in this regard have been

encouraging- for example, schemes like NREGA are being subjected to “**Social Audits**” which means that the intended beneficiaries are themselves evaluating the progress and success of these schemes. Such arrangements need to be also put in place for social security schemes, so that the marginalised groups are empowered to ensure that these schemes actually benefit them.

Decentralization- In any scheme that involves people, and especially in a large, populous country like India, it is imperative that the scheme is implemented in a decentralized fashion. It is impossible for a centralised authority to plan, manage and execute schemes of such magnitude successfully. The involvement of people- the ultimate beneficiaries- is critical for the success of the scheme, and so is the involvement of multiple institutions. A scheme that relies solely on the government is highly unlikely to sustain itself.

Co-ordination- The three main parties involved in social security are Government, NGOs and the civil society. For social security to be strong and effective, all these three parties have to work together. Currently, all these three have been making efforts but they need to be co-ordinated and concerted, besides being intensified. For example, the Government can play the role of a facilitator and provide various kinds of support to NGOs who are involved in this work. Similarly, the Civil Society can do its bit by helping NGOs with financial assistance (donations etc). If this co-operation and synergy can be harnessed properly, the marginalised sections can benefit immensely.

Universality- The very concept of social security is based on the principle of universality- i.e. provision of security to everyone, particularly those who are marginalized. Currently, the various programmes and schemes run by the government are lacking in this fundamental aspect- their reach is not universal and does not cover all the intended beneficiaries. Therefore, we must move towards a system of inclusive, universal social security.

Integrated approach- One of the biggest problems with the social security schemes running currently is lack of a uniform, consistent approach in the planning of these schemes. Most of these schemes were launched when their immediate need was felt, and were more like “emergency responses” rather than well-thought out, planned initiatives. Going forward, what is needed is a planned, integrated approach in the conceptualization, design and development of these social security schemes.

It is an encouraging sign that the **Approach Paper on the 12th Five Year Plan** lays considerable emphasis on social security for the marginalised groups. It notes that a large number of disabled people continue to live under severe hardships, although the “Persons with Disabilities” (Equal Opportunities, Protection of Rights and Full Participation) Act has been in force

since 1995. The paper calls for special action in consultation with the stakeholders to address their concerns. The needs of the senior citizens have also been recognised, and a National Policy for Older Persons is being developed to address the health, security and other needs of the elderly.

Conclusion

A lot of ideas have been discussed within government circles about improving the condition of the marginalised. However, in order for these noble ideas to be realised, it is necessary that some bold and concrete steps are taken. The most important of these is tackling **corruption**. Programmes and schemes have been made in the past to provide social security to the marginalised. However, the benefits have hardly reached these people because of blatant and rampant corruption. Since the intended beneficiaries in such cases are often weak and vulnerable, it becomes easier for the corrupt to exploit them. Corruption must be fought, but it must be fought with greater vigour when it is related to social security schemes. The media, civil society and the government must come together to highlight, pursue and punish the guilty in such cases.

Another critical success factor for ensuring the success of social security schemes is **financing**. Past experiments have shown that often, schemes that rely on only one financing arrangement tend to fail. The ideal solution is to have contributions together with tax income as the financing channels. In this context, **Public Private Partnership (PPP)** models can prove to be particularly effective. Also, the corporate sector needs to come forth more and contribute more heartily. **Corporate Social Responsibility (CSR)** has been a much talked about topic in the recent past, the need is to ensure that social security is a key focus area for the same. The government can play a key role by encouraging such contributions through various ways.

Last but not the least, social security is not just a responsibility of the government, but of the society at large. For this purpose, greater **awareness in the society** needs to be generated and a mass social awakening needs to be brought about. This can be achieved through government driven programs, utilising various channels of the media. All of us need to realise our duties towards the underprivileged, and strive towards doing our bit for them. It is only then that the vision for a "Caring India" can be realised in its true sense.

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Theme

Civil Services in the 21st Century: Responding to Emerging Challenges

Panelists

1. Ms. Kumari Selja, Minister of Housing & Urban Poverty Alleviation and Culture
2. Dr. D. Purandeswari, Minister of State, Human Resource Development
3. Dr. Jayaprakash Narayan, President, Loksatta Party
4. Shri Pradeep Kumar, Central Vigilance Commissioner
5. Sh. Arvind K. Awasthi, Dy. Comptroller and Auditor General

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Civil Services in the 21st Century: Responding to Emerging Challenges

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

- Dr. Manmohan Singh, Honorable Prime Minister of India

Civil services form the basic framework of administration and governance in a country. They are entrusted with formulating and implementing policies, maintaining law and order, delivering public services, and developing stronger ties with other countries. The Indian Civil Services, consisting of All India and Central Civil Services as well as the State Civil Services, forms the framework of our country, and has done a commendable job since independence. They have played a vital role in the task of nation building, while adhering to the basic tenets laid down in the Constitution.

Today, there are nearly 6.4 million civil servants¹, roughly half being with the Central Civil Services and the remaining with State Civil Services. They serve the third-largest economy (by PPP) in the world and a population of more than 1.2 billion people with diverse cultures, needs and economic strata. At nearly 5,300 civil servants per million residents, this figure is significantly lower than that for Canada (~39,000 civil servants per million residents²), UK (~7,100 civil servants per million residents³) or any other large economy, and raises concerns about the capacity of civil services to effectively deliver services to such a large and diverse population. At the same time, there are concerns around the efficiency, outcome-orientation and citizen-centricity of the existing work-force, making one wonder whether and how adding more people would help.

¹ Civil Services Survey, 2010

² <http://www.statcan.gc.ca/daily-quotidien/120228/dq120228c-eng.htm>; 38% of 3.633 million public sector employees working at federal, provincial and territorial, and local levels, and serving a population of 34.1 million

³ <http://www.civilservice.gov.uk/about/facts/statistics>; 0.444 million civil servants serving a population of 62.2 million

Over the years, the civil services has become plagued with several structural issues which have reduced their efficiency and effectiveness. Consider the following findings from a 2010 survey conducted amongst civil servants:

- 41% respondents felt that they did not have competent and adequate staff to support them
- 45% respondents felt that the existing policies and procedures were not helpful in dealing with indiscipline in the office
- 65% respondents indicated ‘training programmes’ as being too general and not matching specific needs of the job
- Only 21% respondents felt that their seniors were spending sufficient time to mentor them
- More than 75% respondents cited ‘compensation’ and ‘lack of recognition’ as key reasons for considering to quit civil services

The survey also reported that nearly 52% of officers in the All India and Central Civil Services⁴ are in the age group of 50+ years, while another 29% are in the age group of 40-50 years. Compare this with the fact that more than 65% of the country’s population⁵ is less than 35 years of age and the median age is 25.1 years. Clearly, issues such as, aging workforce, lack of recognition and incentives, incompetent support staff, ill-defined training programmes, limited mentoring of junior officers by seniors, difficulty in removing non-performing officers, etc. are going to have a significant bearing on how civil services is able to perform its duties and match aspirations of a young, dynamic population.

The internal issues faced by civil services have been accentuated by the increased complexity and pace of changes brought about in the 21st century. Reduced barriers to flow of information, brought about by globalization and proliferation of technology, have posed new challenges to the civil services. Citizens have to come to expect better public services, greater transparency and accountability; private sector has started viewing civil services as a ‘service provider’; and international community has started exerting greater pressure on multiple issues (such as, environment protection, market access, subsidies, etc.).

The above challenges and issues raise fundamental questions with respect to the role, capacity and capability of civil services to perform effectively in the future. The civil services are expected to perform multiple roles - they are required to transform from being a ‘controller’

⁴ Statistics based on three All India Services (IAS, IPS, IFoS) and seven Group A Central Civil Services (IA&AS, IFS, Income Tax, IRS, Customs & Central Excise, IRPS, IRTS and IPoS)

⁵ http://en.wikipedia.org/wiki/Demographics_of_India

to being a ‘facilitator’ or ‘enabler’ for the private sector to grow; they are required to devise systems and processes to ensure equitable growth and efficient delivery of services to the public; they are required to deal with complex international issues - while ensuring that they continue to improve the knowledge and quality of their personnel, embrace technology and adopt best practices to stay ahead of the challenges.

The Indian Civil Services have been responding well to some of these challenges, and have been constantly building up on the reforms that are needed to make them more effective. However, gaps exist and addressing these gaps is where the real challenge lies.

Key Challenges Faced By Civil Services

Transparency and Accountability

A younger, more educated and tech-savvy population has led to increased demand for greater transparency and accountability in the government. This is visible through a higher number of debates in the media and protests in different parts of the country.

In response to public pressure, the government has introduced several regulations, aimed at (a) generating greater transparency and accountability within the government, and (b) ensuring time-bound delivery of public services, with clear grievance redressal mechanism.

Right to Information (RTI) Act has become the key channel for civil society to seek transparency. There has been a spurt in requests to understand decisions taken by the government and determine how the funds allocated for various developmental initiatives have been used. Each and every opinion and decision of civil servants is now subject to public scrutiny, forcing civil servants to act in a more prudent manner and to avoid taking any arbitrary or biased decisions. The flip side of RTI Act has been the time and resources expended by government departments to answer various queries, given the lack of proper systems and processes to store and retrieve information. Moreover, in cases where a precedent or clear guidelines do not exist, the officials have become reluctant to traverse a path not previously taken and use their judgement for taking decisions.

The Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011⁶ proposes timely delivery of services, as laid down in the Citizens Charter, and an effective time-bound grievance redressal system (including penalizing the responsible government officials for failure to deliver). Electronic Service Delivery Bill, 2011⁷ provides for mandatory provision of public services through electronic means. Both the bills are likely to instill a sense of urgency and accountability amongst the civil servants.

⁶ Yet to be enacted

⁷ Yet to be enacted

The bills would also force lower levels of bureaucracy to start delivering promptly and with limited scope for corruption.

Corruption

Corruption in civil services has been observed across layers (senior, middle and lower) as well as across departments (centre, states and districts). At senior levels, it is usually a result of strong nexus between the politicians and the civil servants, and at lower levels it is a result of poor systems and ill-defined public service levels. ‘Speed money’, to expedite the processing of an application or release of funds or to seek any other approval, has become a common phenomenon in some departments.

In Rajiv Gandhi’s words, “only 15 paise of every rupee spent ever reached the poor for whom it was meant”, the corruption that exists in today’s system often plays havoc on the citizen who is poorly aware of his/her rights. There is little information available regarding who is corrupt and where are the strings getting pulled from. Even when the cases of fraud and corruption are brought to light, the complex judicial system leads to delays in corrupt officials being punished and an example being set for the others.

The challenge also lies in changing the mindset of civil servants. Civil servants, over time have been led to believe that corruption is a part and parcel of the public administration process and that it is prevalent at all levels of bureaucracy. Corruption has the potential to adversely affect the morale of civil services, as civil servants who do not accept favours can be construed as bottlenecks in the system.

Productivity

The functioning of the civil services has been driven by processes rather than outcomes. Procedural adherence takes priority over achievement of goals and results. Such a mechanism hinders the ability of civil servants to innovate and think out-of-the-box, as orders are executed blindly without giving much regard to the final outcome. In the absence of innovation, strong and talented performers often lose the desire and will to perform thereby impacting morale and productivity.

A significant challenge also lies in developing strong performance management measures. The existing measures are inclined towards tenure rather than meritocracy. Time bound promotions fail to reward excellence and bring in a culture of complacency. The current practice also has an inherent flaw where the individual is appraised on his ‘skills and capabilities’ than his ‘performance’. In several cases, the individual’s performance and productivity is not linked with the organizational goals and achievements, thereby generating little interest in the individual to take a strategic view or achieve overarching goals. The current incentive

structure does not recognize strong performers or adequately reward them, failing to encourage better performance and productivity. As mentioned earlier, findings from the 2010 Civil Services Survey indicate that more than 75% of the officers consider ‘compensation’ and ‘lack of recognition’ as important reasons for considering to quit civil services.

Amendment to the All India Service Rules, 1958

The government has made an amendment to the All India Service Rules, 1958, which allows a career review of bureaucrats with 15 years of service. Further, there will be a repeat review when the bureaucrat turns 50 or completes 25 years of service, whichever comes first. The purpose of the review is to terminate the incompetent, inefficient and unproductive officers who normally retire at 60 years with pension for life. According to this new rule, the Central government, in consultation with the state, can ask “an officer to retire from service in public interest”. The officer will be given three months' notice or three months' pay and allowance.

While such an amendment will ensure improved performance by the officers, it is important that the process to determine who needs to be retired prematurely is fair and transparent.

Civil servants at district or lower levels often argue that their effectiveness and overall productivity is hampered by the lack of authority to take decisions on financial or other key matters. Rigid hierarchical structures with multiple layers and centralization of decision making powers often lead to unnecessary delays.

Existence of multiple departments, each working in isolation, without congruence of goals or collaboration during drafting of policies, also leads to slow decision making and confusing messages being communicated to the outside world.

Capacity Building/People Development

The civil services attracts some of the best talent in the country, and yet faces issues with respect to lack of competence, commitment and performance. To understand reasons behind this, two critical aspects of people development - recruitment and training - have been discussed in detail.

The current recruitment system is still following the format established several decades ago, and do not facilitate the recruitment of people with new competencies and skills. Selection methods do not assess attitudes and behaviours, and are primarily focused on knowledge. Today's fast changing world warrants the availability of well-rounded professionals, people who not only have the knowledge, but who are also adept at understanding the dynamics of

the new age world. Absence of these qualities inhibits performance and amplifies the challenges in effective delivery of public services.

Civil services has long been focusing on hiring at the entry level, and do not lay enough stress on lateral hires. Civil services do not utilize the talent, skill and experience available from varying fields such as academia, research and private sector, with the result that there is absence of a 'fresh perspective' and dearth of 'expertise' in certain areas. Lack of lateral hiring also brings complacency in the existing civil service workforce, since there is no fear of competition.

Apart from recruitment, the commitment to groom talent across all levels is fairly limited. The current training system does not adequately reflect changes of the ever evolving socio-economic scenario. In today's context, it becomes absolutely necessary to constantly train people and enhance their technical and domain skills. Training modules and systems used are outdated, focusing on knowledge and not behavioural aspects. There are limited training modules for the middle and upper management that address softer aspects such as people and time management. The training modules at the leadership levels elude from building competencies in areas such as, collaboration, networking, public-private partnerships and citizen engagement.

The absence of effective training and an 'open system' for bringing lateral hires, also brings in challenges associated with change management. Lack of knowledge and limited competition increases resistance to change. People become wary of using new systems and technologies as they feel that these may lead to redundancies in the system.

Technology

Embracing technology is a key priority for the Indian government. In a bid to streamline operations and increase efficiency, the government has embarked upon a massive e-Governance programme, as part of which a number of systems are being automated and data being digitized. Unfortunately, there have been significant delays in implementing some of the projects envisaged under the e-Governance plan. The key reasons for this have been (a) limited understanding of technology and its use, particularly at senior levels, (b) limited number of trained people, (c) issues of change management and adoption, once the systems have gone live.

Since most senior officers and heads of departments have not had any formal training or significant exposure to technology in the past, they end up acting as 'obstacles' rather than 'catalysts' of change. They see technology as a 'black-box' and have a tendency to go around it, rather than trying to explore and embrace it, and use it as an enabler for achieving greater efficiency. As the technology is changing so rapidly, it becomes important for them

to 'ride the technology wave' and realize its full potential. Limited adoption at senior levels has a cascading effect. Officers at lower levels also show greater resistance to embracing technology and using new systems.

Political Complexities

Modern day bureaucracy in India is rooted deep in the interplay of forces represented by the politicians, large business owners and financial institutions. Sometimes, opportunistic political leaders, for their own personal gains, maneuver decisions and actions without much thought to the long-term effects on the overall system performance and final service delivery. Rise of regional parties and a larger role being played by them in coalition governments, has exacerbated the challenges faced by civil servants. The political leadership gets changed often and may not get enough time to fully understand the issues facing their ministries or build a strong working relationship with the civil servants. As a result, the civil servants get pulled in different directions, and do not get enough guidance or recognition. There is a lack of clarity in thought and purpose, and civil servants find themselves waiting for someone higher up to give the word for action. The result is lack of motivation and steady deterioration in the effectiveness of civil servants, as well as slowing down of the entire administrative machinery.

Towards An Effective Civil Services

The answer to building an effective civil services lies in the challenges it faces. Whether it's the systemic inefficiencies, lack of citizen-centricity and outcome-orientation, lack of accountability or corruption, the core of the problem lies in the structure, systems and people that the civil services has today.

Some of the aspects that the government can consider and steps that they can take, are presented below.

Right people at the right place

The ability to attract, recruit and retain suitable candidates is a major determinant of the overall quality and long-term effectiveness of the Indian civil service system. Selection on the basis of merit helps bring high quality people into the civil service, confers prestige on civil service positions and can do a great deal to motivate high-quality performance.

For all civil services, especially for the All-India Civil Services, lateral entry at different levels could be evaluated. The lateral entry would inspire competition among the civil servants and allow the best talents, from academia, research and private sector, to come in the civil services. It would also give opportunities to such people who might have either missed the

bus initially or might think of entering the civil service at a later stage after acquiring expertise in a particular area.

In this context, the practice in UK is worth mentioning - in the recent years, more than 30 percent of vacancies at the top three levels of the Civil Service have been openly advertised.

Professionalisation and capacity building

Learning and development is a critical part of a civil servant's progress in career. Over the years, an officer must have opportunities to learn new skills and acquire new knowledge which complement his/her accumulated experience. In a fast changing world, it becomes important for a civil servant to keep himself informed of the latest developments in the field of his work.

In this regard, it becomes important to consider the following aspects:

- The trainings are not limited to building domain knowledge, but also cover management concepts (such as, programme management, change management, people management etc.), technology developments (social media, cloud computing etc.) and specific areas of public administration (such as, development administration, maintenance of revenue records, and coordination between the autonomous agencies of the government)
- The trainings are not a one-off intervention, but a regular and ongoing process, ensuring reinforcement of key concepts and sharing of learnings amongst participants
- The tenure of civil servants in a specific role, particularly at senior levels, is long enough for them to develop expertise and contribute effectively towards their department's goals
- An institute is set up to focus on key aspects of training and development of officers across levels

In the UK, The Centre for Management and Policy Studies has been created for Human Resource Development in the government. The attempt has been to achieve a shift, through training, from a mindset of an organization-centred service to a citizen-centred service, from preserving the status quo to change and innovation, from procedural orientation to results orientation, and from monopolistic provision of services to competitive provision of government services.

In India, the government has earmarked nearly ` 212 crores for setting up of National Centre for Good Governance, in the recently presented Budget 2012⁸.

⁸ http://articles.economictimes.indiatimes.com/2012-03-16/news/31201536_1_training-facilities-mid-career-training-grants

Outcome-orientation through a well-defined performance management system

The performance of a department or agency is dependent on the performance of civil servants serving it. If the civil services has to achieve greater outcome-orientation and citizen-centricity, the motivation and attitude of civil servants needs to undergo a significant shift. This can be achieved through putting in place a sound performance management system which involves setting measurable goals at all levels, monitoring performance of each individual within the organization, developing the capacity to perform, rewarding good performance and managing under performance. As such, the following areas require due consideration:

- An evaluation system which is based on clear targets or key result areas for both the department as well as the individual. The targets could be expressed either in terms of end results (e.g., improvements in health or education or reduction in crime) or service standards (e.g., faster delivery, lower fees, higher productivity etc.)
- An evaluation framework which is comprehensive (360°) and takes into account feedback from citizens (social audit), peers, subordinates and seniors
- Promotions which are based on individual competence and performance, rather than on seniority or tenure
- Adequate rewards and incentives for officers excelling in their work, so as to promote better performance and motivate others to emulate them
- A clear mechanism for weeding out non-performing officers at all levels

In the UK, three-year 'Public Service Agreements' have been introduced under which departments define the outcomes that the citizens can expect from the department's spending, and disclose explicit productivity and performance targets.

In Singapore, citizen feedback on how civil servants' responded to their queries and needs is an important input to judging the performance of civil servants.

In Australia, Secretaries and agency heads are eligible for annual performance bonuses up to 15 per cent of their remuneration, depending on their performance assessment.

Transparency and accountability driven by a strong value system and use of technology

Greater transparency and lower corruption within civil services is one of the most pressing needs, and requires a multi-pronged approach. Some of the steps the government can consider are:

- Describing and establishing core principles, values and characteristics which create a distinctive culture and ethics for civil services
- Setting up appropriate institutional mechanisms to promote and enforce the values and code of conduct, and to evaluate the extent to which they are incorporated and upheld throughout the civil service
- Providing greater thrust to e-Governance (delivery of public services through use of technology) to reduce direct interaction of civil servants with the public and ensure greater predictability and quality of service delivery
- Setting up a regulatory body which promptly deals with cases of corruption against officials

<p>The Lokpal and Lokayuktas Bill, 2011, passed in Lok Sabha in December 2011, aims at establishing a body of Lokpal for the Union and Lokayukta for States to inquire into the allegations of corruption against certain public functionaries.</p>

Efficient functioning through structural changes

Efficient functioning of the government requires not only competent people but also proper structures, systems and procedures to be in place. On the structural front, the following options can be evaluated:

- Creating a flatter structure, with fewer layers and departments, so that there is greater team-orientation, collaboration and faster decision-making
- De-centralizing decision making, to empower local governments further and enable them to respond faster to local issues and needs
- Segregating policy-making and execution roles, by creating executive agencies for implementation of government policies and programmes. This would allow the agency to have greater operating flexibility while being more accountable

In the UK, a number of agencies have been established to carry out the executive functions within a policy and resources framework set by the government. The main features of the agencies are:

- Defined responsibilities and clear aims and objectives set out in a published framework document
- Day-to-day responsibility for running an agency delegated to its Chief Executive with personal responsibility and managerial authority for the job to be done
- The Chief Executive answering directly to the Minister
- Key performance targets covering quality of service, financial performance, and efficiency set by Ministers and announced to Parliament
- Greater openness where performance against these targets is reported each year and published in the agency's annual reports and accounts, and in the Next Steps Report
- The basis of Ministerial accountability remains unchanged by agency status
- Those working in agencies including the Chief Executive, remain civil servants, reporting to Ministers who are accountable to Parliament

All pay and grading matters have been decentralized to the executive agencies. On the whole, reorganisation of the government into executive agencies and semi-autonomous departments has been an operational success.

Conclusion

A modern world-class civil services is absolutely critical to improving India's governance. It would ensure that most citizens benefit from the country's high economic growth and witness improved standards of living and better access to public services. While the civil services in India have made vital contributions to national development through the advice and services it has rendered, the current challenges and structural issues necessitate a transformation. A number of areas, such as - recruitment, performance management, training, structure, etc. - need to be looked at, to create a civil service which epitomizes best practices, is committed to continuous improvements and exemplifies contemporary management techniques.

In this context, it is important to discuss and deliberate upon some pertinent questions, answers to which will help build a forward looking civil service driven by shared values and public service rather than bound by conformity to regulation and systemic rigidities:

- What mechanism is required to ensure that the most suitable persons are appointed to key public offices in government?
- How can we make civil servants more service-oriented and citizen-centric? What mechanisms are required to make public servants accountable to the public?
- What attitudinal and process-related changes are required such that the civil services focuses more on productivity and outcomes than on procedures and efforts?
- How can one develop domain expertise in the civil services? What training programmes can be developed to build domain expertise and prepare civil services for future challenges? Can one bring in lateral hires at senior levels to fill the void?
- What ‘key result areas (KRAs)’ can one develop for civil services? What happens to the KRAs in case of change of government or change in government policies?
- What changes are required in the existing performance evaluation systems? How can the system be made more competitive? What incentives can be given to encourage better performance?
- How can we effectively decentralize administration, and ensure congruence between authority and responsibility at all levels?
- Is there a case for creating executive agencies for implementing government policies and programmes, separate and distinct from policy making?
- Can a mechanism be evolved to insulate civil servants from undue political interference?
- How can we strengthen and make the exit mechanism more effective, objective and transparent?

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Theme

Information Revolution: Challenges of an Open Society

Panelists

1. Sh. Pawan Kumar Bansal, Minister of Parliamentary Affairs and Water Resources
2. Sh. Jairam Ramesh, Minister of Rural Development and Drinking Water & Sanitation
3. Sh. S.K. Goel, Chairman, Central Board of Excise and Customs.
4. Sh. Vinod Mehta, Advisor Outlook Magazine
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Executive Summary

This document briefly describes the present information revolution and its impact on governance as a whole. It discusses the two primary characteristics of the current information age; Change and Complexity and the challenges Government face today as a result of these. The paper focuses on the challenges encountered by the Government and Administration with the advent of the information revolution and possible ways and means of addressing such challenges.

Information Revolution: Definition & Overview

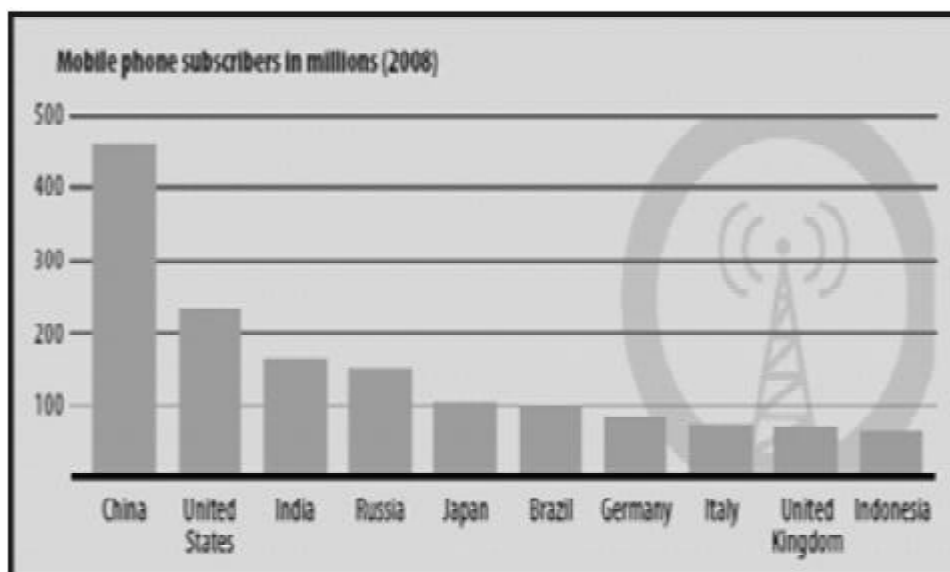
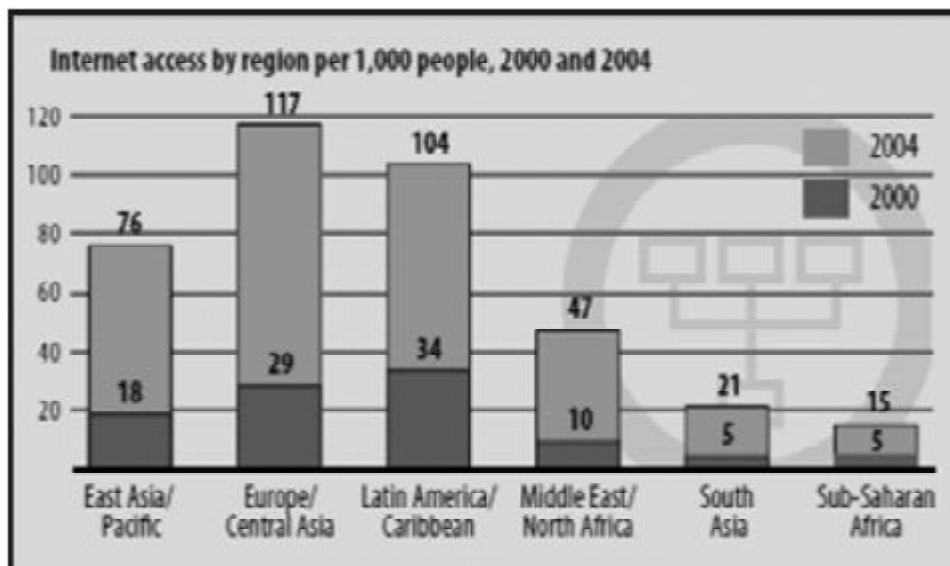
Information revolution may be defined as “a sudden, radical, or complete change...a basic reorientation” brought in by the information and the communication technologies in a relatively short period of time in the day to day lives of people.

Information-related activities did not result in the Information Revolution despite having existed, in one form or another. If we need to distinguish between information, data and knowledge, data comes through research and collection. Information is organized data. Knowledge is built upon information, and knowing how to synthesize the knowledge makes it useful to an individual or an entity. This translates into better decision making. In the current information age, it can be said that the fundamental sources of wealth are knowledge and communication rather than natural resources and physical labour.

It has been established beyond doubt that we are living in the Information Age. Complexity and change are the two defining characteristics of the Information Age. Our success as individuals, families, organizations, communities, and societies would depend more than ever upon our abilities to adapt, in near real time, to deal with increasingly complex and dynamic situations which would be characteristic of the Information Age. The information age would continue to present us with these kinds of challenges at an ever-increasing rate. The increasing complexity of our environment and the actions necessary to maintain or improve an overall equilibrium would only serve to make these challenges even more complex. Successfully responding to these challenges would require three steps. Firstly, we would need to recognize that there has been change. Secondly, we would need to understand the implications of this change. Lastly, we would need to develop timely and effective responses.

Statistics

The below figures indicate the usage of internet and growth in mobile phone subscriptions



Sources: CIA World Factbook 2008, World Development Indicators database 2006, Telegeography 2007, Pyramid Research 2007, World Bank 2006, International Telecommunications 2006.

What this means to the Government?

Information and communication technologies have already shown the impact they can create with respect to growth, jobs and prosperity, even for governance as a whole. Governments across the world recognize the fact that use of Information and communication technologies can contribute a great deal in the developmental aspect of governance.

According to Mckinsey Global Institute (MGI), which conducted a study on 13 countries which account for more than 70% of the global GDP on the internet usage, there are

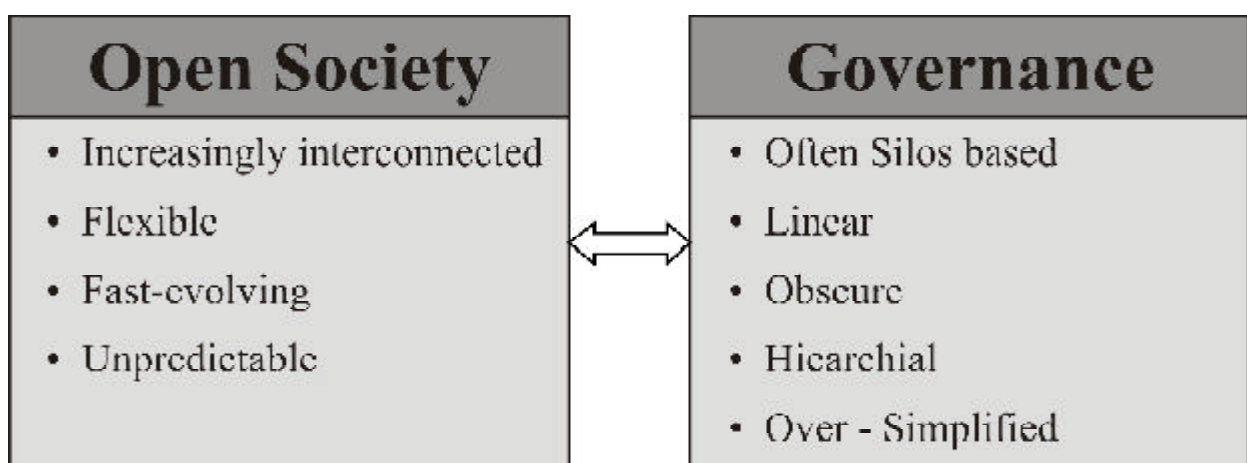
- 2 billion internet users worldwide
- Internet accounts for
 - o 3.4% of GDP in these 13 countries and in India it is 3.2%
 - o 21% of GDP growth in the last 5 years in the mature countries
 - o 2.6 jobs created for 1 job lost
 - o 10% increase in productivity for SMEs from internet usage
 - o Upto Rs. 1357.72 per internet user per month of consumer surplus.

The above figures statistically establish that Governments and policy making gets majorly impacted by the sweeping information revolution.

Consequentially, the information revolution in its current form, has thrown up a set of new issues and challenges hitherto unknown, by creating an open society and by contributing a great deal to globalization. The way people and businesses communicate and services are delivered has completely transformed. The government has to rethink and strategize the way it serves its citizens.

Gap between Open Society and Governance

The below diagram shows the gap between society and governance



Setting the Context

Throughout the rest of the paper we discuss the issues and challenges government and administration face to cope up with the change and complexity and finally discuss ways in which the government needs to go about addressing these challenges.

Challenges faced by the Government

Some of the governance challenges that governments across the world face today as a result of information revolution are discussed below.

Greater Citizen's Expectations

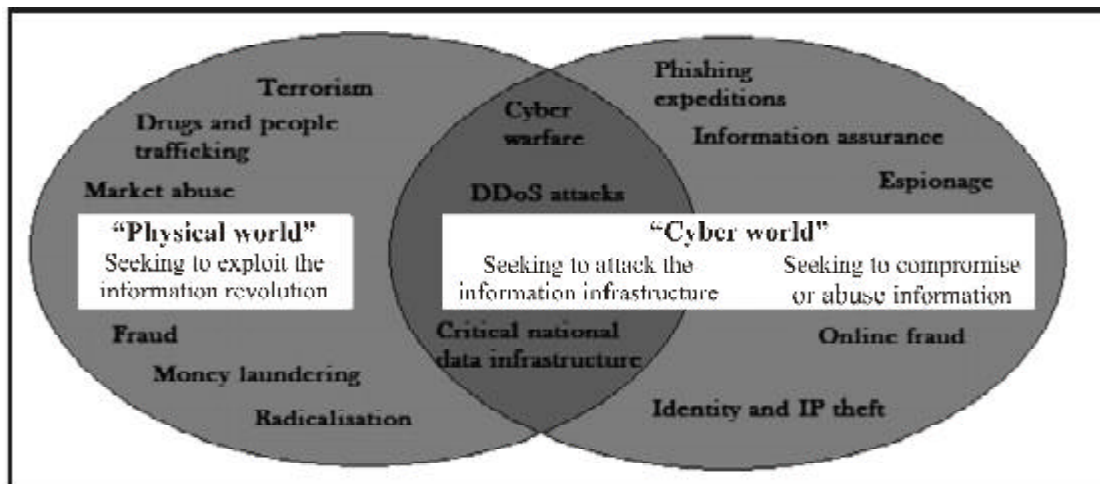
Information Revolution has raised the bar for government performance. The unprecedented level of customization, ease and convenience that 21st century “on demand” customers have grown accustomed to in the private sector has spilled over to the public sector, driving expectations of government to an all time high. Most citizens believe that the service they receive from the government should be on par with the private sector and a majority say that public services generally ought to be even better than the private sector (although only few believe existing public services actually are better) [Src: Deloitte study].

Security

National security is the prime responsibility of any Government. “Volatile, uncertain, complex and ambiguous,” sums up the security challenge governments face today. Governments have responded with new legislation, bigger security budgets and massive reorganizations of their security apparatus. New high-tech systems are being installed to secure borders, ports, airports and government buildings. Intelligence is being beefed up. Grants to first responders have been dispersed. And information sharing has improved.

One of the biggest challenges governments continue to face is balancing the demand for higher levels of security with the realities of an interdependent global marketplace that depends on the free flow of goods and services across borders. Over the past four years, nearly every major industry has faced higher costs in responding to the new security environment

Information revolution has clearly transcended boundaries and security threats to the information available in the public domain needs to be tackled by the governments. Some countries have already declared the Informational assets as their national assets and other nations are moving towards that direction. Cyber war is the threat posed to the developed and the developing nations and if governments are not prepared for it, there could be huge loss.



Sources: The Information Revolution and its impact on Homeland Security - Detica

Information Disclosure

Not so long ago, government secrecy was the norm. Now it is the exception. In 1980, only 20 percent of OECD countries had freedom of information laws on the books; by 2000, that figure had reached 80 percent.

An important driver behind this increased openness is the Internet, a medium that is ruthlessly proficient at moving information from those who have it to those who do not. In a Google world, governments that try to resist transparency increasingly find themselves in a losing battle. Today's "Netizens" expect and demand that important public data be not only available online, but also packaged in a user-friendly format that they can easily navigate. They also expect the full story, not the watered down version some public officials might want them to see.

Several high-profile public scandals have made transparency one of the top governance issues. Yet around the world the trust in government has fallen significantly. Government efforts to increase transparency have not gone far enough to restore public trust and strengthening trust of citizens has quite simply become a matter of survival for open, democratic government. Efforts to increase transparency are beginning to take hold around the world. To combat corruption, a number of countries make information about public officials' personal assets available online for public monitoring.

Transparency vs Confidentiality

Governments have a duty to provide access to information. However, neither total openness nor complete secrecy would be reasonable, and no country in the world has decided to

adopt either one of these extreme stands. In fact, many countries stipulate conditions of disclosure, based upon the following factors:

- **Closure periods:** certain documents can only be opened under special, restrictive conditions (varying from 25 to 50 years);
- **Legitimate interests:** in certain countries, potential users have to prove their legitimate interest in documents (which purpose); and
- **Exception clause:** most frequently cited are (a) national security, defense and foreign policy and (b) privacy, trade secrets and others legitimate interests of third persons.

Information is the basis for strengthening of all government-citizen relations. Countries vary greatly in terms of laws on citizen's access to information (often called Freedom of Information Acts – or **FOIA**). In designing these laws, countries face a double challenge. They must balance the right of access to information with the individual right to privacy and also with the need to keep confidential information which would harm the public interest if disclosed.

Some examples of FOIA different countries adopted based on UN study are given below

- Sweden introduced its first laws on this subject as early as 1766;
- In France, at an early stage of the revolution, *La déclaration des droits de l'homme* was adopted in August 1789;
- *American Declaration of Independence* of 1791, contains a similar right in the first amendment;
- Finland was the first to adopt modern legislation in 1951;
- USA followed in 1966 with the *Freedom of Information Act*;
- After a sharp rise from 1980 to 2001, now 80% of the Organisation for Economic Cooperation and Development (OECD) member countries have legislation on this subject; and
- Austria, Netherlands, Hungary and Poland have enshrined citizen's right to access information in their constitutions.

Protecting Citizen Privacy

Individual's privacy concerns are directly related to their perceived vulnerability, and perceived ability to exercise control over their own information, or that people do not understand the "real implications of privacy and security in the internet age," and since they are oblivious

to the issues, they are currently unable to address the problem. In a research conducted on citizens using online services in New Zealand, over 89% of the respondents agreed that they are concerned about the privacy of their personal information when it is exchanged online via the internet. This is a consequence of the fact that data about them ends up online from the most different sources (including themselves and their acquaintances), and that often it would be very hard to discover, never mind prove, that it has been used against their interest.

A lot of research is ongoing in this field, and some governments have come up with the Privacy Acts already. The real challenge for the government is to come up with the Act which effectively addresses the issues and problems it is intended to address.

Government and citizen's personal information

In many situations, the provision of personal information to government organizations is compulsory. This contrasts with the nature of information exchanges that individuals engage in with private organizations, where individuals may make decisions about which organizations they provide their personal details to. Thus, governments have special privacy obligations arising from the concept of democracy, which includes the establishment of rules mediating the power relationship between government and citizens.

Governments collect personal information from citizens for many purposes, including taxation and social welfare benefits. The collection of information in these cases is justified by the requirement to determine liability or eligibility, and may require highly personal financial and health-related information to be disclosed and shared. The implicit sensitivity of this information highlights the importance of ensuring that the information is handled properly. Researchers suggest that, while lower classes may be more vulnerable to certain risks, different social classes are vulnerable to different privacy-related risks. Specifically, they note those who are further up on the socioeconomic ladder are more likely to be part of the credit-card economy and to be targeted with considerable precision by direct marketers and the private sector in general.

Policy Making in the Complex World

The increased speed of, and access to, communication has catapulted national problems into international arenas and affected the formulation and implementation of public policy. Until recently governments were formulating policies based on intuition, ideology or conventional wisdom-or, at best, theory alone. Many policy decisions have been made in this way. The public policy formulation process, due to lack of information for both inputs and outputs, has adopted a crisis management approach. But the resulting policies can go seriously astray,

given the change, complexities and interdependencies in today's society. Information revolution has given an opportunity for governments to build sufficient evidence based on which they can go about policy making. The biggest challenge government face today is to build sufficient evidence by collecting data and to move towards this constructive method of formulating evidence based policy making.

Regulatory Framework

Governments today also face the challenge of defining a regulatory framework on social networking, internet content etc.

Legal Framework

The governments across the globe face a real problem of re-defining the legal framework, whether it be coping up with the challenge with jurisdiction or a re-defined meaning in the age of cyber crimes or the most important challenge of them all; absence of laws covering emerging issues. This is frequently the case in economic and white-collar crimes. Some of the countries face the issue of fundamental weaknesses in many of the laws that provide public administration with implementation responsibility, such as ambiguities in the laws themselves, arbitrariness, contradictions and complexity. Governments has to deal with a variety of problems ranging from identity theft to confidentially breach to corporate fraud brought in by the information revolution by defining a comprehensive legal framework.

IPR

There are many types of Intellectual Property Rights like Copyrights, Patents, Design Rights, Trade Marks and other rights (e.g. Domain Names). This is no longer a problem which can be dealt by a nation itself. It needs cooperation from the international community. Member nations of the World Trade Organization (WTO) are committed to include an agreed scope of IPR protection in their national laws. These requirements, akin to 'minimum standards', are set out in the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which was negotiated in 1994. TRIPS also specifies procedures for associated matters, however it can be said that the real challenge for the Government is local enforcement and to define dispute resolution procedures and practices.

Competition due to Globalization

Many government officials are understandably concerned about the effects of globalization brought in by the information revolution. They worry about the impact of global competition on their home markets; the dilution of their political agendas; and the effectiveness of traditional barriers to protect labor, trade, financial markets and security. But as much as a government

might want to, it cannot close itself off from this new world. Globalization isn't a choice-it's a fact. Nations can either prepare themselves to compete against the world's best, most efficient producers...or resign themselves to inevitable failure.

Argues British Prime Minister Tony Blair: "In the era of rapid globalization, there is no mystery about what works: an open, liberal economy prepared constantly to change to remain competitive. The new world rewards those who are open to it...The competition can't be shut out, it can only be beaten."

Challenges faced by the Administration

Considering administration as an implementing arm of the government, the pressure on the administration to deliver and meet the growing expectations of the citizens on improved public service delivery with limited resources is immense. Some of the challenges that administration face today due to the information revolution are discussed below.

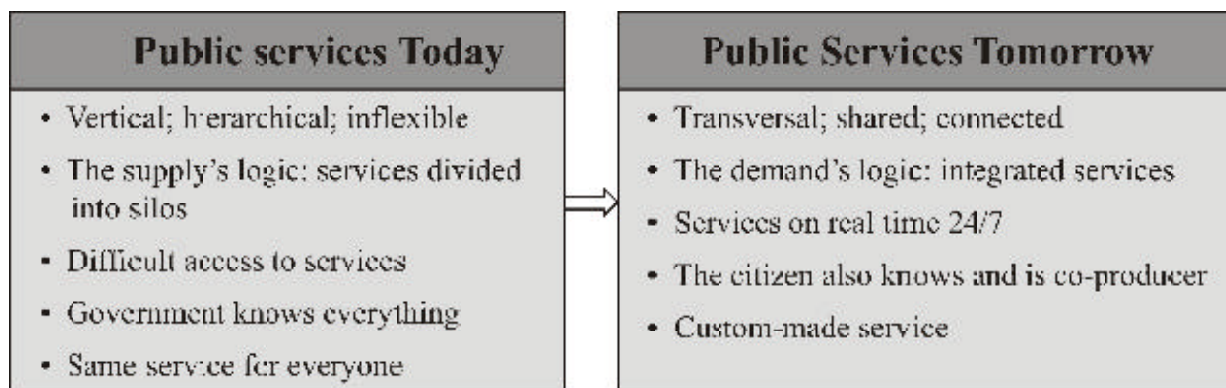
Providing consistent, reliable service to citizens

As governments move towards integrated service delivery methods, there are more and more stake holders engaged in the service delivery. Sometimes government cannot gauge the competence of the stakeholders and find itself in a strangle hole. For e.g if government terminates a contract with a service provider or a service provider withdraws from the contract it could lead to disruption of the service. Administration today face this issue of engaging IT firms, Audit Agencies etc., using different models (e.g BOOT, BOO) and sometimes the private partners also invest significant amount. During the course of implementation administration face a huge problem in case of dip in the service levels as the loss to the government sometimes more than the financial penalties they may impose on the private player and the overall ownership of implementation however lies with the administration.

Administration has to be safeguard the informational assets and applications from possible cyber attacks which can bring down the service. They have to at the same time have Disaster Recovery mechanisms and business continuity planning in place so that the services can be restored. Sometimes, disruption of services means a revenue loss to the government.

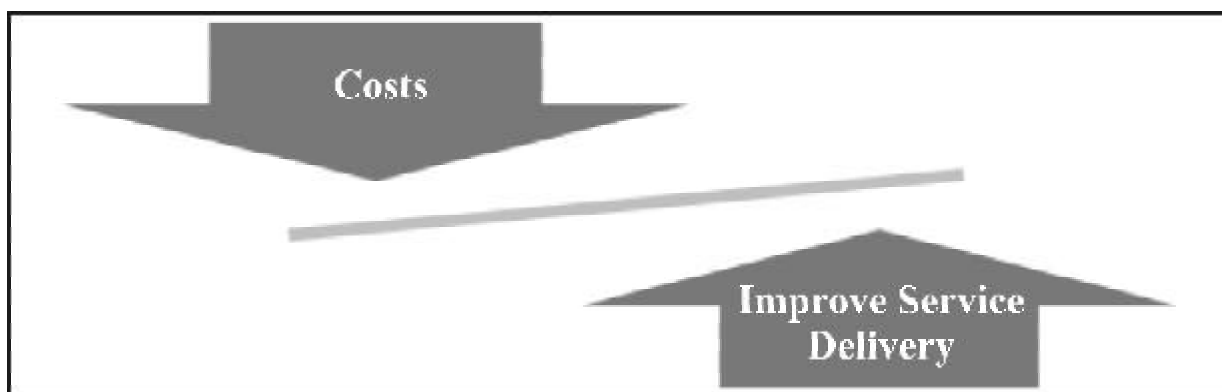
Modernising Public Services

The below diagram shows the challenges the administration faces in meeting the new service level demands. Administration needs to modernize the existing infrastructure to support new service level demands.



Costs vs Improved Service Delivery

Administration today is expected to enhance the service delivery at the same time reduce implementation and operational costs



Reducing Implementation Failure

Government has embraced the fact that it needs to move towards building systems which can effectively deliver. The National e-Governance plan is a big leap towards this. However the government has faced several challenges in implementation of projects. Some of the reasons of limited success include administrative inability to manage change, lack of process re-engineering, insufficient capacity, inadequate information infrastructure etc., The administration has to overcome all the barriers to see success of the e-Governance initiatives.

Driving operational Excellence

Administration is responsible to oversee and manage the government operations. Some of the challenges the administration face to improve upon operations include:

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- Leveraging on the existing infrastructure and resources to optimize performance and delivery
 - To improve the inter-agency communication and collaboration (Sharing, Reuse and eliminating Redundancy)
 - To Streamline the operations by eliminating manual, paper based, non-integrated, or repetitive processes, where possible
 - Aligning mission-critical information and resources with internal and external service-level requirements
 - Veracity and completeness of the data which can contribute to better decision making.
 - Knowledge sharing

Risk Mitigation

The administration today has to deal with risks that may arise out of the contracts, service levels, licensing, compliance to legal frameworks, information protection, copyrights, hacking or the denial of service. Any risks arising would be a loss of reputation and a matter of embarrassment for the government. Administration has to come out with risk mitigation measures in each of these areas.

Dealing with the Digital Divide & Diversity

A fundamental requirement for reducing the digital divide in countries is to give priority to the development of their communication infrastructure and provide universal and affordable access to information to individuals in all geographical areas of the country. There are a number of barriers to bridging the digital divide:

Infrastructural barriers

Despite the incredible growth of the Internet, a country like India still lacks a robust telecommunication infrastructure with sufficient reliable bandwidth for Internet connection.

Literacy and skill barriers

Education and information literacy will play an important role in keeping society from fragmenting into information haves and have-nots. In the perspective of the digital divide, IT literacy is very important to allow access to digital information. In a country like India where roughly

50 percent of people do not have reading and writing skills for functioning in everyday life, IT literacy is a distant dream.

Language barriers

India is a country having a multicultural and multilingual population. Today a large percentage of information content on the Internet is in English, which is a barrier for the people whose primary language is not English.

Administration today has to overcome all the barriers to successfully implement public policy.

Indian Context

India is very much part of the information revolution. It has made efforts to leverage the use of ICT in the public service delivery. There are some of the fundamental challenges that India face today like low internet penetration, Inadequate Information infrastructure etc., along with some positives including skilled workforce, mobile penetration etc., The government has taken some significant steps like the National e-Governance plan and the Electronic service delivery bill etc., to promote the use of ICT, probably the only hope to improve on the public service delivery considering the population, diversity, illiteracy rate and digital divide, which otherwise would seem impossible without the use of technology.

RTI

One of the most important changes in the citizen-government relationship in India since its Independence has been the passage of the Right to Information (RTI) Act in 2005. This pan Indian legislation is a landmark in setting out a clear political agenda of transparency, signaling a shift from the opacity promoted by the Official Secrets Act. Documents that people have never before had access to, and which the Act specifically notes that the government is not obliged to provide access to, such as minutes of the Union Cabinet meetings, have been revealed in response to RTI requests. In some ways it has redefined the Citizen-State relationship.

Shortcomings of RTI

According to the study conducted by PwC, some respondents noted their dissatisfaction with the information furnished by the public authorities. It is often the case that incomplete or irrelevant information is provided. It takes more than the stipulated time period of 30 days to receive the information. This is usually due to the poor recordkeeping within the

public authorities, and is a more fundamental problem of sorely lacking information architecture. This is one of the crucial factors in the noncompliance of public authorities with s.4(1)(b) of the RTI Act, which requires proactive disclosure. The proactive disclosure requirement of the RTI Act has not met with much success. Research independently done by India Governs, CHRI, and others confirms this.

Way Forward

As governments struggle to address the daunting challenges that face them, many find themselves shackled by the old ways of governing: hierarchical organizational structures that try to tackle complex problems with a silo approach; personnel practices and pension systems designed for a time when lifetime employment was the rule, not the exception; service models driven by government bureaucracy, instead of citizen needs and preferences; budgets that measure performance based on how much is spent, rather than what is achieved; and tax systems and trade policies designed around manufacturing, physical goods and localized markets-rather than services, information and a seamless global economy.

Given the huge gap between past and present, it is clear that incremental change often won't be enough: in many cases, bureaucracy built for the Industrial Age simply can not be retrofitted to meet the needs of the Information Age. Obsolete, century-old systems must be replaced with new models better suited to the needs of the 21st century. This transformation will require new approaches to every aspect of government, from organizational structures and operating practices to personnel systems and service delivery models. Some of the trends and practices, governments across the world started moving towards are discussed in the below sections

Integrated Government- Beyond Silos

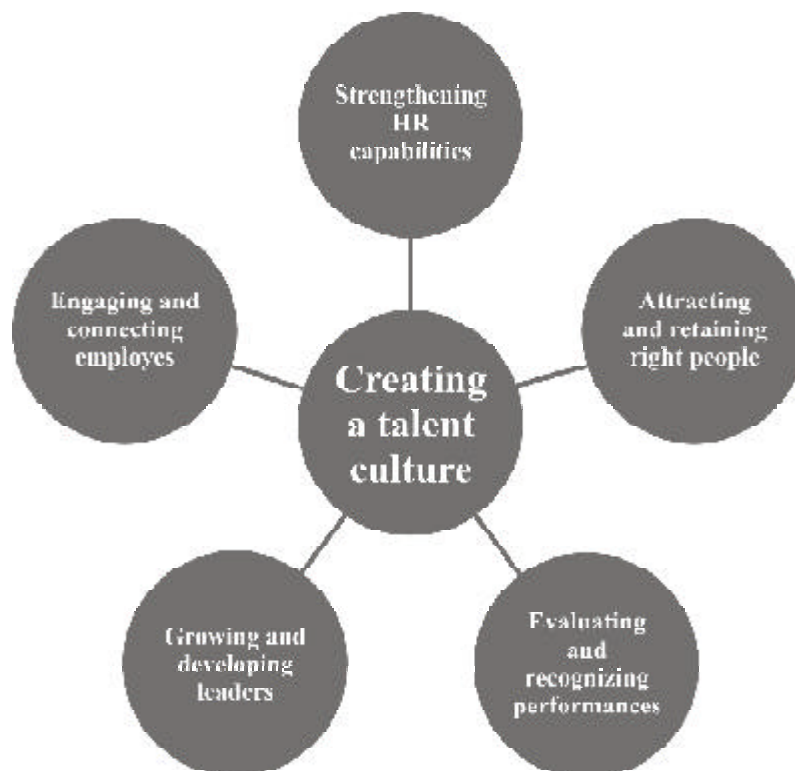
There is a growing recognition that the traditional, hierarchical model of government do not meet the demands of a complex, rapidly changing environment. Rigid bureaucratic systems that operate with command-and-control procedures, narrow work restrictions and inward-looking cultures are particularly ill-suited to addressing these types of issues that transcend organizational boundaries.

The movement from vertical to networked governance is a global development driven by various business and societal forces: the public's growing demand for personalized and integrated services, the plummeting costs of collaboration (thanks to the Internet and other

new technologies), the enhanced level of outsourcing and the growing number of complex problems that demand cross-governmental and cross-sector responses.

Revamping Workforce

21st century government requires a motivated work force that is allowed to make decisions. That means abandoning the old command and-control mentality, and modernizing outdated personnel systems with their rigid job classifications, endless layers of bureaucracy and limited authority for workers on the front lines. Government officials need the flexibility to hire new workers quickly, promote top talent, and deal with poor performers. Agencies need the flexibility to round up top experts-from inside and outside government-to address complex challenges. Employees need the flexibility to increase their productivity and to learn new skills that are critical to success in the new model of government. They also need the ability to move from project to project-and to work on cross-agency, cross-sector project teams-without sacrificing career advancement.



Capacity Building

Strengthening and enhancing the public administration capacity is a pre-requisite for an effective service delivery. Listed below are some of the ways of enhancing Public Administration Capacity.



Process Re-Engineering

Fundamentally the government has to relook at its own archaic processes and re-engineer them. The two most important aspects of re-engineering are eliminating non-value adding activities and providing alternative channels for service delivery, which is at the fore-front. While process re-engineering is a vast and unique domain, it is the single most aspect which can address many of the challenges that government face today. This fact needs to be well-appreciated by decision makers, even if it means that government needs to re-look at the way it delivers services to its citizens. In today's world mere automation of service delivery is not going to serve the purpose.

Multi-Channel Service Delivery

These days no one is willing to queue up in a long line at a government office, or wait on hold for half an hour to access a service. Citizens want multiple channels into public services—online, telephone, over the counter, mail, mobile, kiosks, and soon even podcasts. One channel rapidly gaining popularity is mobile government, or “mGov.”

Organization Restructuring

The traditional hierarchical structure of the government where decision making is centralized has to give way to new approaches of organizational restructuring to be able to take on ever-increasing challenges. More than anything else, the need of restructuring is to align government departments and organizations to new expectations. The intention of a restructure internally was to change and improve the mix of capabilities and if necessary to shore up deficiencies. Structure needed to be aligned with vision, strategy and desired performance

Focusing on Outcomes

Until recently, it was a common practice for government to ignore failure. In the wake of continuing fiscal challenges, those input-oriented practices are steadily giving way to new outcome-based approaches that measure success by the results achieved, not by the amount of money spent. Today's public managers are expected to set tangible goals-and to achieve them. The ability to measure and evaluate results is a prerequisite to delivering effective services.

Government must understand what outcomes their citizens really want and demonstrate a reasonable connection between actions and outcomes. There are lot of management theories (e.g Balanced Scorecard) which would help the management and the leadership to be focused on the outcomes throughout the course of the implementation of a project

Encouraging Citizen Participation

Governments are discovering that one of the best ways to meet their citizen's rising expectations is to get citizens directly involved in designing government programs and services. Mirroring trends in the private sector, governments are harnessing the creativity of their constituents through focus groups, design sessions, hands-on testing, Democracy tools and other means. At all stages of the policy process, from elections to policy development and implementation, citizens are increasingly being called upon to serve as partners in the innovation process.

Participation is not given especially in a country like India. It requires innovative programs to encourage citizen participation. Institutional innovations are paramount for any ordinary citizens to play an active role in the selection, design, and implementation of local development plans. Institutionalization helps participation become part of the policy and the process.

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