

Civil Services Day

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Proceedings



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

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Welcome Address

Shri K. M. Chandrasekhar

Cabinet Secretary

*H*is Excellency the Vice President of India, Principal Secretary to the Prime Minister, National Security Adviser, Secretary, Administrative Reforms, distinguished Colleagues, Ladies and Gentlemen,

I extend a very warm welcome and sincere thanks to His Excellency, the Vice President, who has so kindly accepted our invitation to grace this occasion and inaugurate the programme for this year's Civil Services Day. I am




Cabinet Secretary delivering his Welcome Address

particularly delighted because Sri Ansari represents a unique combination of qualities which will inspire future generations of Civil Servants. He was a dedicated Civil Servant in the best traditions of public service, a learned and thoughtful Vice Chancellor and a diplomat who has distinguished himself in a wide range of responsibilities.


It gives me great pleasure also to welcome senior and retired officers who have left an imprint on administration as Cabinet Secretaries and Secretaries to Government in the past. I welcome my colleagues at all levels of seniority and I welcome too the representatives of the media who are present here to cover the inauguration of the Fourth Civil Services Day. A special word of thanks and a warm welcome to the Principal Secretary to the Prime Minister and to the National Security Adviser, with whom I have had the privilege and honour of working very closely during the last couple of years. Smt. Rajani Razdan, Secretary, Administrative Reforms & Public Grievances, along with her officers, has been the driving force behind the organization of the Civil Services Day and I would be failing in my duty if I do not express my deep gratitude to her for the manner in which she has whole heartedly immersed herself in the task of making this event useful and meaningful for the 4th year in succession. I thank also our knowledge partners, the Centre for Good Governance, Hyderabad and the Centre for Policy Research, New Delhi, who have prepared intensive and thought provoking background papers on performance management and Civil Services accountability.

We have carefully chosen our themes for the deliberations today. In the first part of our day long deliberations, we will have the opportunity to examine in depth various aspects of performance management. Given the pervasive role of Government in our society, enhanced Government effectiveness is the key determinant of a country's competitive advantage. Experts agree that, in the long run, the race among nations will be won or lost not on the basis of



comparative advantage arising from resource endowment, but by the competitive advantage created by effective governance. This explains the successful development experience of countries like Ireland, Singapore, Korea and Japan, even without any apparent comparative advantage in terms of resource endowment. I believe also that the benefits of effective government will reach across to all strata of society and that there is no trade off between efficiency and equity. Performance management in fact is an effective instrument for promoting equitable growth.

Starting from this premise, I see several broad trends in the area of performance management. First, there is a clear movement away from the Administrator Model to the Management Model. The Management Model represents an internal culture of making managers manage, as opposed to the Administrative Model which values compliance to pre-determined rules and regulations. It requires the managers to assume greater responsibility while at the same time, giving them greater operational freedom and holding them accountable for results. Various techniques have been followed such as mandatory strategic planning by Government agencies, explicit target setting, devolved resource management, performance monitoring and reporting, and regular evaluations using benchmarked data. Many countries, including Canada, New Zealand, Australia, Netherlands, Denmark, the United Kingdom, the United States and Finland, have made significant progress using such techniques with New Zealand being clearly the leader of this pack. The second trend is represented by more countries moving from the Bureaucratic Model to the Market Model, which represents greater use of market type mechanisms as opposed to operating public services as a monopoly provider. The third trend is represented by the efforts of many Governments to reinvent themselves. Reinvention is not the same as reform; it involves something much deeper, something tantamount to changing the very DNA of public organizations so that they habitually innovate, continually improving performance without



external pressure. The fourth broad trend is reflected in the efforts of the Government to promote knowledge management and knowledge sharing within the public sector, which results in overall improvement of performance of all wings of the Government. The fifth broad trend is obviously e-Governance. It is safe to say that no Government has successfully transformed itself without extensive utilization of e-Governance tools. The converse, however, does not hold true. Use of e-Governance tools by itself is no guarantee for success. If e-Governance is used for cosmetic effect to create an impression of efficiency, it is unlikely to deliver potential benefits.

The issue of accountability is a related one. The immediate question that arises is: accountability for what? For far too long, we have associated accountability with sins of commission and omission. We need now to think of ways in which we can redefine accountability and make it accountability for performance aimed at specific service delivery to the people. We will need to shift from rigid, closed and hierarchy bound systems to a more open, responsive and accessible structure. This will necessarily involve dramatic changes in the fundamentals of administration, and we may have to boldly strike new paths in areas such as channels of communication within Government, sharing of information, evaluation of performance, and even systems of audit.

To encourage informed debate amongst Civil Servants and others, we have launched a website dedicated to all aspects of performance management in Government. You can visit this website at www.performance.gov.in. We have also launched a newsletter entitled 'Performance Matters'. You will find a copy of the first issue in your folders.


I thank all of you for attending this event and I hope that interaction on these critical issues later in the day will open our minds to new possibilities in administration.

Release of Book 'BYOB'

*T*he Department of Administrative Reforms and Public Grievances has the mandate of promoting good governance practices in the country. In pursuance of this and in order to promote such practices, the Department documents the initiatives undertaken by the officers / organizations / departments individually or in a group placed in different parts of the country in the form of publications.



Vice President releasing the Book



It is in accordance with its mandate that the Department has come out with another compilation of some exemplary initiatives. The fifth in the series, 'BYOB – Bringing Your Own Bytes' is a collection of 12 national and international experiments that have helped re-invent governance by harnessing information and communication technology. The articles bring into focus the experiences of some very successful e-Governance initiatives that have used technology to better people's lives.

Different government and local bodies—eight from India and four from South Africa, Canada and Singapore—have significantly bettered their efficiency and effectiveness with the help of these projects, these initiatives have also made these organizations more accessible and accountable. The enormous cost saving opportunities make e-Governance one of the better tools of governance.

The articles cover a wide range of topics which help a lot in improving governance like Rashitrya Swasthya Bima Yojana, Mobile Government, m-Health is Wealth, Click Your Way through Planning to Building, Controlled Public Grievance Redress and Monitoring System, Tax Return Preparer Scheme and so on. The book is a testimony to the background against which reforms were implanted, the challenges won over and the lessons learnt. It leaves enough space for future replication as well.

The book was released by the Vice-President Shri Mohammad Hamid Ansari on April 21, 2009, the fourth Civil Services Day.

Prime Minister's Awards for Excellence in Public Administration

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

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

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

The Hon'ble Vice President of India gave away the Awards for the year 2007-08 on the Civil Services Day to 9 initiatives across various sectors. A brief write-up on each of the award-winning initiative is as follows :-

Category - Individual


Initiative: Financial Sustainability of Bangalore Metropolitan Transport Corporation, Karnataka

Name of the Awardee: Shri Upendra Tripathy, IAS,
then Managing Director,
Bangalore Metropolitan Transport Corporation,
Government of Karnataka.

*W*ith the changing face of urban society and following the influx of population from rural areas, the size of the metropolitan cities is rapidly increasing. Bangalore's population has more than doubled since 1981 and the corresponding demand for reliable public transport has exerted enormous pressure on the Bangalore Metropolitan Transport Corporation (BMTTC).



Shri Upendra Tripathy receiving the Prime Minister's Award



In the year 2001-02, BMTC had inadequate fleet strength to cater to the growing population and demand, an ageing fleet, a high level of commuter dissatisfaction, rapid decline in ridership, delays in implementation of projects resulting in cost and time over runs, weak mechanisms to address customer grievances and low motivation levels in employees. This sub optimal public transport system was undermining the productivity of the megapolis.

Shri Upendra Tripathy, Managing Director, BMTC undertook a series of interventions and innovations to deal with this dismal situation in the year 2003. These measures included procurement of additional buses, focussing on administrative reforms and commuter-friendly initiatives combined with technological applications, human resources development and capacity building of employees to turn around the organisation. These efforts showed dramatic results within a short time. The profits of the Corporation increased from 13 cr per annum in 2000-01 to Rs 80 cr in 2004-05, Rs. 115 cr in 2005-06 and Rs 224 cr in 2006-07. These initiatives also led to tangible improvements in the quality of public transport services, increase in ridership, lowering of accident rate and improvement in air quality. By his efforts, Shri Tripathy was able to bring financial sustainability to the BMTC, and this model is being copied by other transport corporations.

Category - Individual

Initiative: Activity Based Learning (ABL) Methodology for Primary Education, Tamil Nadu


Name of the Awardee: Shri M. P. Vijayakumar, IAS,
then Commissioner of Chennai, Municipal
Corporation, Government of Tamil Nadu.

*I*n spite of ranking high on most of the development indicators, the Government schools of Tamil Nadu have an alarmingly low level of academic achievement in spite of the Government's best efforts to ensure universal primary education and substantial budgetary allocation year after year.



Mr. M. P. Vijayakumar receiving the Award

Under the leadership of Shri Vijaya Kumar, the then Commissioner of Chennai Municipal Corporation, thirteen Chennai Corporation schools got together to put in place an innovative method of learning methodology. They



began working on developing and implementing the Activity Based Learning (ABL) methodology to address gaps in primary education. Drawn from the already existing teaching methodologies like 'Learning Ladders' of Rishi Valley Rural Education Centre, Shri Vijaya Kumar and his team applied ABL to schools at primary education level, initially as a pilot project. The new methodology targeted students of standard I to IV by transforming the classroom environment and learning dynamics, by making the child the centre of his/her academic world. Text books were broken down into activities, learning materials were colour coded and arranged in ladders, annual exam was eliminated and achievement chart maintained for the whole class. ABL methodology is a ground-breaking effort in making learning fun, quality oriented and child centred, and can be replicated easily. It has resulted in a remarkable improvement in the academic performance of these students and also improved the attendance. The method is now used in primary schools all over the State and has also been adopted by other States.

Category - Individual


Initiative: Evacuation of Indian Nationals from Beirut during the war

Name of the Awardee: Mrs. Nengcha Lhouvum, IFS
Ambassador of India in Lebanon.

*O*n July 12, 2006, Israel launched an air attack on Lebanon. This resulted in destruction of civilian areas including infrastructure like roads, bridges, towns, villages, etc. Israel also imposed a full naval as well as air blockade. In the next 33 days, over 1200 civilians (including one Indian) were killed, over 4000 wounded, a million displaced and Lebanon's infrastructure destroyed. The bombing of civilian areas created panic, triggering one of the biggest evacuation operation of Indian Nationals abroad. The Indian Embassy at Lebanon was tasked to ensure the safety and security of the Indian community which was estimated about 12,000.



Mrs. Nengcha Lhouvum receiving the Award



Mrs. Nengcha Lhouvum, the Indian Ambassador acted quickly by establishing contact with Indian community and Indian associations in Lebanon so that the persons of Indian origin, desiring to be evacuated could be identified and brought to safety. There was a major problem as many Indians had not entered the country legally. A big difficulty was resolving irregularities in passports and immigration status. The challenges before the Ambassador and the Indian Embassy was to work out the modalities and logistics of evacuation through land, sea and air; liaising with MEA, Ministry of Overseas Indians Affairs, Indian Navy, Air India, Indian Embassy in Syria, Cyprus, Israel and Lebanese authorities.

Despite these difficulties, the Ambassador and the small embassy organised a large scale evacuation by sea. The evacuation operation lasted for 39 days in which the Indian Navy made six forays to Beirut to evacuate 1,863 Indians and 524 South-Asians free of charge. Mrs. Nengcha Lhouvum, personally organised and supervised this evacuation with extreme dedication and efficiency.

Category – Individual

Initiative: Safe Motherhood and Child Survival Programme


Name of the Awardee: Dr. Amarjit Singh, IAS
Secretary, Health & Family Welfare Department,
Government of Gujarat.

Maternal mortality is a serious problem in India, the mortality rate being about 350 to 400 per 100 thousand child births. In Gujarat in the year 2003, 469 mothers died during delivery per 100 thousand live births. The primary reason for maternal deaths was that many deliveries were being conducted by untrained persons in unhygienic conditions.

Guided by the concerns over high Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR), Dr. Amarjit Singh, the then Commissioner, Health



Dr. Amarjit Singh receiving the Award



and Medical Services, Government of Gujarat initiated the scheme called “Chiranjeevi Yojana” in April 2005. The aim was to improve access to institutional delivery for those mothers who were below the poverty line and who remained generally under-represented in terms of health coverage.

In this context, the Government initiated the idea of utilizing the existing resources of the state by empanelling existing private practitioners for providing safe delivery. These practitioners were made responsible for providing skilled obstetric care to families below the poverty line. In return, the Government paid them a flat fee per hundred deliveries, a part of which was paid in advance.

Chiranjeevi Yojana, thus, allows families living below the poverty line to use either public or private health facilities, free of cost. It also covers indirect costs such as transportation and incentives for any accompanying person. The scheme has, improved coverage of maternal health care, and Dr. Amarjit Singh has been responsible for conceiving and implementing this idea.

Category - Team

Initiative: SCORE: e-Registration in Bihar


Names of the Team Members :

1. Shri Anil Kumar, IAS, IG Registration
2. Shri Dilip Kumar, AIG Registration
3. Shri Birendra Kumar Singh
4. Shri Baruna Nandan Singh
5. Shri Nirmal Kishor Prasad, SSA
6. Shri Sanjay Kumar, SSA
Government of Bihar.

The conventional system of property registration in Bihar was characterized by cumbersome procedures, delays and corruption. Registration was very tedious and time consuming. The system of manually copying deeds in registers had collapsed. The backlog of record maintenance was about 7 to 8 years.



SCORE: e-Registration in Bihar, Awardees



The Registration Department of the Bihar Government wanted to bring in efficiency and transparency in the registration process and restore the confidence of the stakeholders. To meet their expectations, an innovative ICT based complete solution for e-registration of properties in the State named Bi SCORE (Bihar System of Computerized Registration) was designed and implemented. It involves complete automation of processes with less paper and state-of-art record archival system at all registry offices of the State.

All 105 registry offices of the state have been SCORE-enabled in a record time of three months with a cost effective Hardware on Hire Basis (HOHB) model. This has resulted in increase in state revenue, accrual of funds in BiSCORE society and created new job opportunities, and a healthy competition amongst the entrepreneurs. BiSCORE also demonstrates the innovative use of state-of-art technologies like finger print biometric devices, web camera, scanners, etc. The entire scheme is self-sustainable and verifiable. It has been completely adapted during the last year to the age-old Government working environment and has effectively changed the 200 year old system of manual property registration in the State.

Category - Team

Initiative: MCA21 – an e-Governance Project


Names of the Team Members:

1. Shri Anurag Goel, IAS, Secretary, MCA
2. Shri Yudhvair Singh Malik, IAS, then JS, MCA
3. Dr. (Ms.) Sheela Bhide, IAS, then JS, MCA
4. Shri R. Chandrashekhar, IAS, then AS(IT)
5. Shri Jitesh Khosla, IAS, JS, MCA
6. Shri S. Sridharan, JA, MCA Government of India.

Any company registered under the Companies Act, 1956 requires filing information on an annual basis with the Registrar of Companies (RoC). In addition, certain corporate actions such as change of registered office, change of name, etc., requires approval from the RoC. Over the years, the number of



MCA21 – an e-Governance Project, Awardees



companies registered under this Act have increased from about 30,000 in 1956 to more than 8 lakhs in 2007. This has created a tremendous pressure on the office of the RoCs and the process of statutory filings and seeking approvals became extremely inefficient, leading to inordinate delays and the corporate sector losing numerous man-days in filing of returns and/or seeking approvals from the RoC. The Ministry of Corporate Affairs (**MCA**) could not perform its regulatory functions relating to compliance management and enforcement.

To tackle this problem, Government of India conceptualised 'MCA21' which ensured an anywhere, anytime, secure access for MCA services, practically, free of paper. The project involved re-engineering of processes, digitisation of legacy of documents, enabling of e-filing and amendments in the Companies Act and rules to create an enabling legal framework. It has enabled corporate sector to file their returns and obtain approvals from the RoC in a time-bound and transparent manner, without loss of man-days. This approach has allowed the Government to maintain focus on statutory and value-based aspects of the work while other tasks are largely handled through the use of technology. MCA has been able to reposition itself as a facilitator enabling the corporate sector and other stakeholders to contribute to the achievement of the targeted economic growth of the country.

Category - Team

Initiative: Improved Health and Sanitation Practices, District Surguja, Chhattisgarh

Names of the Team Members :

1. Dr Rohit Yadav, IAS, District Collector
2. Ms. Ritu Sain, IAS, DC (D&R)

District : Surguja
Government of Chhattisgarh.

Surguja is the largest but one of the most backward districts of Chhattisgarh with low rates of literacy and a high incidence of malnutrition and infant mortality. Primitive tribal communities constitute over 50 percent of population. Poor systems of management of water bodies and drinking water facilities, lack of public health and hygiene awareness contributed to the poor health conditions prevailing in the district. The prevailing high infant mortality



Improved Health and Sanitation Practices, District Surguja - Chhattisgarh, Awardees

rate is also largely attributed to poor sanitation. It was in this context that the District Administration, decided to work on Total Sanitation Campaign (TSC).

The officers adopted innovative methods of implementing a 'model of convergence' where a number of line departments worked together with the *panchayats*. Using existing resources, they could produce positive changes and worked out points of linkages among various sectors like health, education, *panchayats* and rural development. This facilitated, within a short period, construction of more than 85,000 individual household toilets and 2,703 sanitation complexes in schools of 256 identified *panchayats*. Communities took ownership of the project through monitoring of construction, imposition of fines and management of assets. By providing proper access to handpumps, the problem of drinking water was, to a great extent, also solved. Awareness about personal hygiene increased, and this is visible in the increased use of bathrooms in villages. *Panchayat* vigil has brought an improvement in teachers' attendance. Line departments now act in synergy with better results. There has been a marked improvement in the hygiene awareness of the school-going children. The efforts of the officers have resulted in better condition for the people of the district.

Category - Team

Initiative: Computerization of Personnel Information System in Manipur


Names of the Team Members:

1. Shri Jarnail Singh, IAS, then Chief Secretary
2. Shri R.R.Rashmi, IAS
3. Shri S.Sunderlal Singh, IAS
4. Shri K. Radhakumar Singh, IAS
5. Smt. M. Budhimala Devi
6. Smt. O.Shaliza Chanu
Government of Manipur.

During the 1970s and 1980s, Government of Manipur embarked upon an ambitious employment expansion plan without much focus on strengthening the institutional mechanism for effective public service delivery.



Computerization of Personnel Information System in Manipur, Awardees



However, the rapid expansion also created opportunities for malpractices like fake and adhoc appointments. Posts were often filled without appropriate sanctions from a competent authority, officers were transferred from hills to the plains without posting of substitutes, etc, resulting in serious deficiencies in availability and quality of services in the hill regions. Records of post creations were found missing or destroyed.

In addition, the implementation of the fourth and the fifth Pay Commission Award, for a total workforce of an assumed number of 70,000 employees, added to the financial resource crunch, faced by the State.

For rectifying the process and procedures for employment within the Government and controlling expenditure on salaries, officers of the State Government started an initiative to design a Computerised Personnel Information System (CPIS). It was recommended by the Fiscal Resource and Budget Management Act, 2005 which advocated disciplinary measures to control the financial deficit within the stipulated timeframe. Enactment of “Manipur Public Servants Personal Liability Act, 2006”, under which, all public servants, including the political executive, are personally liable to make good the loss incurred by the State on account of their unauthorized omissions/commissions, further strengthened the need for CPIS.

The implementation of CPIS has provided many benefits, it has enabled every department to maintain a correct database of employee profiles vis-à-vis sanctioned post in the State Data Centre. Every department is now able to update the database to the State Data Centre directly from their office, which in turn helps the Finance Department to generate any kind of report without waiting for the reports from the department. This ultimately has helped the Treasury to control State's expenditure. Backward regions in the State now have all their officials in the place of posting.

Category - Organisation


Initiative: Implementation of the Risk Management System (RMS)

Name of the Organisation: Directorate General of Systems & Data Management, Central Board of Excise and Customs, Government of India.

*W*ith the economic growth of the country, trade has multiplied whereas infrastructure has not kept pace. In response to the changing trade and security landscape nationally and internationally the Risk Management System (**RMS**) was introduced in December, 2005. It brought in a great degree of consistency, transparency and efficiency, which helped building of confidence among traders and other stakeholders.



RMS bagged the Award in the Organisation category



RMS has demonstrated the potential to bring about transformational change in the way imports are handled at India's ports. RMS not only works towards facilitating trade, increasing revenues, reducing corruption, it also strengthens the border security at the ports. It has in built an 'intelligence' that is constantly monitored and updated by the Risk Management Division (RMD). As a result, instead of manually evaluating and examining every import cargo now the RMS can clear up to 50% of all imports in a matter of a few minutes. The RMS's intelligent design rewards the reputed and compliant importers, at all the 23 ports where RMS is in operation, by almost instantly facilitating their cargo and ensures that those who are non-compliant are subject to examination. Thus, a significant outcome of RMS is that it is promoting a culture of compliance by bringing about behavioural change among the non-compliant importers.

Address

Shri Mohammad Hamid Ansari

Vice President of India


The Civil Service in an era of coalitions

*S*hri K. M. Chandrasekhar, Shri M. K. Narayanan, Smt. Rajni Razdan, Shri T. K. A. Nair, Distinguished Guests, Civil Servants of India, Ladies and Gentlemen,

It gives me great pleasure to inaugurate the Fourth Civil Services Day. This annual get together provides an occasion for introspection, self-evaluation and exchange of perspectives, experiences, and best practices. This sets the stage for course correction.



Vice President of India delivering his Address




I would like to felicitate all those who have won the Prime Minister's Awards for Excellence in Public Administration for the year 2007-2008 for individual and team initiatives in diverse fields. I do hope they would continue their good work and that their example would be emulated by others in the Civil Service.

The concept of civil service has evolved over time; so have notions of its role and responsibilities. Independent India inherited from the British period a comprehensive civil service structure and established practices. Its utility for ensuring national unity and good administration in the country was recognized by Sardar Patel, accepted by the Constituent Assembly and incorporated in the Constitution. It is relevant today to recall the Sardar's perception and his vision:

I need hardly emphasise that an efficient, disciplined and contented Service, assured of its prospects as a result of diligent and honest work, is sine qua non of sound administration under a democratic regime even more than under an authoritarian rule. The service must be above party and we should ensure that political considerations either in its recruitment or in its discipline and control are reduced to the minimum, if not eliminated altogether ... Constitutional guarantees and safeguards are the best medium of providing for these services and are likely to prove more lasting.'

This statement enunciated three principles: (1) the civil service will be above party politics, (2) political considerations would be eschewed in its recruitment, discipline and control, and (3) Constitutional safeguards and guarantees essential for its effective functioning will be provided.

The challenge in the early years of the Republic was to reconcile differing perceptions, of the political leadership emerging from the Freedom movement




on the one hand and the inherited civil service on the other, on two aspects of the functioning of the latter. The first of these related to meaning of civil service 'neutrality'; the second to the question of its 'commitment' to policies. Prime Minister Nehru responded to both unambiguously. The civil service cannot distance itself from the fundamentals of state policy nor can it function effectively without being supportive of the policies developed through due process.

Both these notions resurfaced from time to time either to retard change or to stretch commitment from policies to individuals or political groups. It is to the credit of our polity that the overwhelming majority distanced itself, in principle if not always in practice, from such efforts. It also became clear early enough that in a new India the role of the civil service has to go beyond 'good administration' in the traditional sense to include the requisite skills and motivation for nation building and developmental activities.

Ladies and Gentlemen

The Civil Service is an integral part of our society and its structure of governance. Its DNA is shaped by the imperatives of social mores, political calculus, and economic context of the times. One aspect of this is the emergence of coalition politics and governments constituted pursuant to it. It can be attributed to a deepening of democracy and the emergence of a genuinely federalized multi-party system accompanied by the rise of regional, linguistic, caste-based and other parties promoting such sectional interests.

Unlike popular perceptions coalitions are neither unique to India nor inherently destabilizing. In many countries the world over, as also in India itself at the state and federal levels, coalitions on agreed programmes have worked




satisfactorily. The difficulty lies in demarcating the fine line between political like-mindedness and political opportunism. It is rarely articulated coherently and inevitably surfaces in the day to day functioning of the administrative structure. The first impact of the mischief is thus experienced by the civil servant.

What then should the role of the Civil Services be in an era of political coalitions? Our own experience sheds light on two of its aspects.

First, a distinguished former Cabinet Secretary has noted the tendency by political parties to use the bureaucratic machine as a substitute for the lack of active field cadres and thus becomes an alternate cadre for the Parties in power. In this context, he observed, the most important quality for the bureaucracy in the coalition era is to be 'apolitical', adding that 'in the Indian context it means that the bureaucracy is loyal to the Constitution, and though under the Party in power, it functions in a way which is fair to all irrespective of their political affiliations'.

Second, an editorial in a business daily observed recently that 'coalitions have taken on the nature of the old mansabdari system – the greater the number of horses you can offer to the King, the greater the size of territory for you to pillage'. It expressed concern at the monetary and economic cost for the nation as a consequence of coalition arrangements in power. One consequence of this, in the words of a distinguished former civil servant and legislator, is the propensity to 'follow the policy of least resistance.' This 'indirect participation in the wrong doings of the politicians' by the civil servants through silence and passive inaction, he notes, has 'contributed substantially towards the erosion of people's confidence in the objectivity and impartiality of civil servants.' Much the same assessment comes from other eminent former civil servants of yesteryears. The near unanimity of their views cannot be altogether ignored.




The effort to influence the functioning of the professional bureaucracy is not an Indian novelty, though the quantum and frequency does matter. Coalition politics, too, is a fact of life. Nostalgia and lamentation for a lost utopia that never really existed, is not an option. Changes in the ground situation, public expectations and technological innovations, are the ground realities. The challenge for the civil service today is to explore and develop the avenues for proper functioning in the context and the spirit of the responsibility assigned to it by the laws of the land and the policies developed through appropriate legislative processes.

The first of these responsibilities pertains to the dispensation of justice. This, in our vocabulary, means the Rule of Law. It is the foundation of democratic governance and the Civil Service has a pivotal role in upholding it. Professor Upendra Baxi has sought to read the rule of law as the rule of good law that is reflective of the struggle of a people 'to make power accountable, governance just, and state ethical'. He opines that the Indian constitutional conception of the rule of law links its four core notions: rights, development, governance and justice.

A few years back a senior law officer of the Government wrote that the Rule of Law is under serious threat and that there is widespread popular disillusionment. Civil society groups consider the 'delayed justice dispensation system' responsible for it. Why does this happen?


We know that the legal process of securing justice in our country is time consuming; there is also an acquittal rate of around 90 percent. The public has thus little option but to resort to administrative facilitation and the procedures of administrative justice. Legislators are commonly assessed by their ability to secure administrative facilitation and justice to their constituents rather than by



their efficiency in law making or holding the government to account! Thus the ultimate victim of non-implementation of the Rule of Law and delayed justice dispensation system is the common man and woman who are at the receiving end of non-enforcement of their rights and discriminatory application of the laws, and without the clout to secure either of them. Consequently, every effort by a civil servant towards administrative facilitation and accelerated dispensation of administrative justice to the public goes a long way in ameliorating its material condition and redresses its grievances.

Next in relevance to the dispensation of administrative justice are questions of social development and empowerment. Some civil servants have done exemplary work in these fields. It is, however, a matter of some concern that very few civil servants today feel attracted to it. Their priorities, instead, are on finance, banking, communication and IT, Railways, aviation, petroleum and natural gas, shipping, road transport and highways, etc. This is suggestive of social priorities and the choices emanating from it and should be a matter of concern.

Take the question of integrity. We constantly hear, and rightly so, of the need for public figures and civil servants to exhibit the highest standards of personal probity and honesty. While this is an essential condition of good governance, is it sufficient? Is not dishonesty of the mind as dangerous as monetary or pecuniary dishonesty? This lack of intellectual and professional integrity has taken many forms – from introducing a slant in policy notes to an excessive careerism and focus on postings leading to regrettable acts of omission and commission. Nor is there any evidence to suggest that any of the functions listed above would be more adversely affected by the existence of a coalition any more than with a one-party government.




These perceptions can be quantified. More importantly, they impact decisively on public opinion. There is, therefore, a demonstrated need for correctives. A performance survey of half a century shows that in terms of Sardar Patel's perimeters, while the polity has delivered by giving constitutional safeguards to civil servants and implementing sound recruitment procedures, the politicians have faltered in varying degrees on discipline and control and the civil servants have often enough succumbed to the temptation of tailoring professionally sound advice to subjective considerations.

The only answer would lie in the principles of the Constitution. Civil servants are the servants of the state and not of the government alone. More than at any time in our history as a Republic, the necessity for the civil servant to be guided by the Directive Principles of State Policy is paramount and immediate. Each of you is enjoined to promote the welfare of the people by securing and protecting a social order in which social, economic and political justice shall inform all institutions. You need to work to minimize the inequalities of income, status, facilities and opportunities and to secure a legal system that promotes justice on a basis of equal opportunity. These are not rhetorical assertion and the realisation of these ideals should be fundamental to the governance of the country. Coalition programmes cannot be at variance with these principles.

The examples provided by the winners of the Awards today give us hope that an innovative and pro-active civil service can continue to act as an agent of social change as envisaged by the Constitution.

Let me conclude by reminding you that there is nothing novel about sound professionalism; it has been prescribed in all periods of history. I will paraphrase for you the advice given to civil servants in the 8th century:



'The ruler cannot dispense with you. You alone make him a competent ruler. Your position with regard to rulers is that you are the ears through which they hear, the eyes through which they see, the tongues through which they speak, and the hands through which they touch. No craftsman needs more than you to combine all the praiseworthy good traits and all memorable and highly regarded qualities...

'(The civil servant) needs on his own account, and his master who trusts and expects him, to be mild where mildness is needed, to be understanding where judgement is needed, to be enterprising where enterprise is needed, to be hesitant where hesitation is needed. He must profess modesty, justice and fairness. He must keep secrets. He must be faithful in difficult circumstances. By virtue of his natural intelligence, good education, and outstanding experience, he must know what is going to happen to him before it happens, and he must know the results of his action before action starts. He must make proper preparations for everything, and he must set up every thing in its proper form...

'Detest prejudices with all your heart. Guard against backbiting and calumny. Beware of haughtiness, foolishness and pride.'

Does any of this not hold good today?

I once again congratulate all the winners and thank the Cabinet Secretary for inviting me to inaugurate this function.

Vote of Thanks


Smt. Rajni Razdan

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

*H*on'ble Vice President, Cabinet Secretary, Principal Secretary to the Prime Minister, National Security Adviser, Secretaries to the Union Government, Chief Secretaries of States, Administrators of Union Territories, Heads of Services, distinguished guests, award winners, Media representatives, participants, ladies and gentlemen.



Secretary (ARPG) proposing a Vote of Thanks



It is my privilege to propose a Vote of Thanks on this occasion. I, on behalf of the Department of Administrative Reforms & Public Grievances and the civil services fraternity here, wish to thank the Vice President for gracing this Day and sharing his thoughts with us. Over the last four years, a lot of eagerness and enthusiasm has been generated over the Prime Minister's Awards for Excellence in Public Administration. In 2006 we received 97 nominations, in 2007 there were 94 nominations and in 2008 we got 106 nominations. We are extremely grateful to the Vice President to have acceded to our request for inaugurating the event and giving away the Prime Minister's Awards for Excellence in Public Administration. Thank you for your support and encouragement.

I wish to place on record our sincere appreciation to the Cabinet Secretary for his cooperation and leadership. He has been an inspiration to our Department in guiding this event.

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

I would also like to thank the National Security Adviser for sparing his time to be with us.

I would like to thank all our honoured guests for their presence and participation today.

An event like this cannot happen overnight. The wheels start rolling months before. It requires planning and a bird's eye for details. We have been fortunate enough to be backed by a team of very motivated and dedicated colleagues who know their job and are result-oriented. I cannot thank everyone enough for their involvement and their willingness to take on the completion of tasks beyond their comfort zones! I extend my thanks to the Secretaries to the

Government of India, the Chief Secretaries, all the Heads of Services and all the other officers for their kind presence on this occasion.

I would like to thank our knowledge partners for preparing the Theme papers for the panel discussions. I also wish to express my gratitude to the writers of articles in the just released book BYOB and thank the publishers.

We owe special gratitude to the officials of the DAVP, Doordarshan, NIC, CPWD, ITDC, the audio-visual staff, Vigyan Bhavan staff, volunteers and officials who have worked hard to provide the logistic support and to ensure that this day becomes a memorable success. I would like to thank the press and media contacts for covering this event.

I would like to thank my Department staff for all the hard work they have put in for several months.

Thank you very much. Thank you for being with us.

PANEL DISCUSSION

Performance Management in Government

Knowledge Partner: Centre for Good Governance, Hyderabad

Chairperson: Shri K.M. Chandrasekhar

Panelists: *Shri M.K. Narayanan*
Shri C.M. Vasudev
Shri E. Sreedharan
Shri P.C. Haldar
Shri Prajapati Trivedi

Introduction

Far-reaching changes in the global economy have made it imperative for governments all over the world to improve the quality of their governance structures. The Government of India has also introduced the New Public Management¹ concepts in public administration with emphasis on 'results' or 'performance' to improve the efficiency and effectiveness of public services.

2. The Government of India has developed monitoring and evaluation systems for its development programs, supported by a well planned institutional framework. It also has a performance appraisal mechanism for its civil servants. However, it is time to move from measurement of input usage for programs and appraisal of process compliance to

assessment of outcomes and impacts through a well designed system of 'performance management'.

Performance Management: The Concepts

3. Performance management is a broad concept that involves understanding and acting on the performance issues at each level of organization, from individuals, teams and departments to the organization itself. These issues include leadership, decision making, motivation, encouraging innovation and risk taking among others.
4. Performance management in government is the managerial activity necessary to promote well-performing policy management and service delivery². A definition of performance management is given by the Second Administrative Reforms Commission is as follows³.

“Performance management is the systematic process by which the organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals”.

Performance Management System

5. The term 'Performance Management' is often confused with 'Performance Measurement'. The following definitions will help in distinguishing between these concepts:

¹ New Public Management (NPM) refers to a series of themes relating to reforming the organization and procedures of the public sector to make it more competitive and efficient in resource use and service delivery (See Hood, CC, *The "New Public Management" in the 1980s: Variations On A Theme*, published by *Accounting, Organisations and Society*, Vol. 20, No. 2/3, pp. 93-109, 1995).

² Dr. Bobby Mackie, *Organizational Performance Management in a Government Context: A Literature Review*, (www.scotland.gov.uk/socialresearch, a Government of Scotland website, August 2008)

³ *Refurbishing Of Personnel Administration: Scaling New Heights*, Tenth Report Of Second Administrative Reforms Commission-2005 (Government of India, 2008)



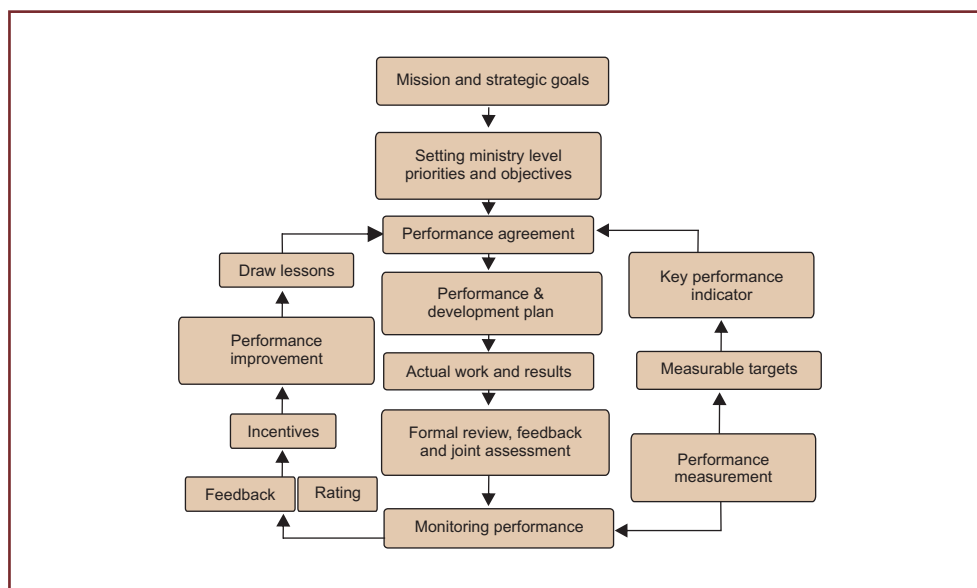
- 'Performance' refers to the ability of the government to acquire resources and put these to efficient (input-output relationship) and effective (output-outcome relationship) utilization to achieve the desired outcomes and impacts.
 - 'Performance measurement' tracks processes (such as compliance to formal rules), results (such as use of inputs, outputs produced or policy goals achieved) or more complex ratios (such as efficiency, productivity, effectiveness or cost effectiveness)⁴. It also involves the design of balanced and well calibrated key performance indicators, supported by a good Management Information System.
 - 'Performance management' is a broad system of defining and measuring performance, besides developing incentives for individuals and organizations. It touches the processes of planning, implementing, reviewing, evaluating and reporting to gauge the impact of policies and programmes. It promotes growth and learning, and recognizes that capacity building and improvement in individual performance leads to better achievement of organizational goals.
6. Performance management requires a performance information system that can be audited and related to financial management and policy cycles. Its elements include planning, monitoring, capacity building, performance rating and a system of rewarding good performance⁵. These elements of a comprehensively designed performance management

⁴ Ketelaar, A., N. Manning and E. Turkisch, *Performance-based Arrangements for Senior Civil Servants OECD and other Country Experiences*, OECD Working Papers on Public Governance (OECD Publishing, 2007/5)

⁵ Michael Armstrong & Angela Baron, *Performance Management: The New Realities* (Jaico Publishing House, New Delhi, 2002)

system are given in the following figure as an adaptation from the tenth report of the Second Administrative Reforms Commission.

Figure 1: Performance Management System



(Source: Adapted from Second Administrative Reforms Commission's Tenth Report, 2008)

Approaches to Performance Management in Government: International Models

7. This section looks at different approaches to performance management in government in a few select countries.
 - a. Public Service Agreements (United Kingdom): Public Service Agreements (PSAs) outline the objectives for the agency or department regarding the services to be delivered as agreed between the department and the Prime Minister's Delivery Unit.

PSAs set out targets for achieving the strategic objectives for a medium time frame of three years.

- b. Strategic Plans (United States of America and South Africa): The strategic plan approach for performance management is prevalent in South Africa and United States. In South Africa, the departmental objectives are captured in three year strategic plans, which are then converted into operational work plans and performance agreements. Strategic plans in the USA are developed for five years outlining the policy and operational objectives.
- c. Pluri-Annual Planning Programme (Brazil): This divides all governmental objectives into about 400 programmes, each of which has its own programme manager who is a senior civil servant accountable for the results. The targets of the program become the performance agreement for the civil servant.
- d. Balanced Score Card (New Zealand & Australia): These countries have adopted the Balanced Score Card approach, which is a set of measures that are directly linked to the organization's strategy. The score card allows managers to evaluate financial performance, customer knowledge, internal business processes, and learning and growth.
- e. Performance Contracts (Kenya): Similar to PSAs, these are also agreements between the government and public agency, setting targets, besides developing charters to communicate the service standards. There are incentives for achieving the targets.

Overview of Existing Performance Management System in India

8. Historical Context

The Second Administrative Reforms Commission says the following on the conventional performance management system in government⁶:

“Traditionally governance structures in India are characterized by rule-based approaches. The focus of the civil services in India is on process-regulation. With such focus on processes, systems in government are oriented towards input usage-how much resources, staff and facilities that are deployed in a scheme, program or project and whether such deployment is in accordance with rules and regulations. The main performance measure thus is the amount of money spent; and the success of the schemes, programs and projects is therefore generally evaluated in terms of the inputs consumed.”

9. Thus the conventional performance management system in India focuses more on the input-output aspects, rather than the measurement of impacts or outcomes of policies and programs.

Performance Management at individual level


10. While analyzing the management of performance at individual level, it is important to understand that the current systems in government only 'appraise' and not really 'manage' performance. The measurement of performance is based on the ACR (Annual Confidential Report) system. While it is a well entrenched system, it has several gaps that limit its utility as an effective performance appraisal tool. Effectiveness and

⁶ *Refurbishing Of Personnel Administration: Scaling New Heights*, Tenth Report Of Second Administrative Reforms Commission-2005 (Government of India, 2008)

credibility of the ACR system that is based on the philosophy of control and secrecy has been questioned and viewed negatively⁷.

11. The Second Administrative Reforms Commission has identified the deficiencies in the system of appraisal of civil servants in India (other than the All India Services). Some of the gaps in the present system can be listed as follows:
- a. It lacks in quantification of targets and evaluation against achievement of targets.
 - b. The ACR system does not give scope for a two way consultative process and there is a lack of clarity about performance standards.
 - c. Performance appraisal becomes meaningless in cases where the job fit is ignored while posting an officer, and where there are frequent transfers.
 - d. The quality is seriously affected when reporting officers write ACRs of a large number of employees, some of whom they may not even personally recognize.
 - e. Since the present system shares only an adverse grading, a civil servant remains unaware about how he/she is rated in his/her work. Hence there is no incentive for good performance.
 - f. Many reporting officers pay little attention to distinguish between good and average workers. So, most Government officials end up getting very good/outstanding grading which is considered “good for promotion” and there is no motivation for real performers.

⁷ Prof Biju Varkkey, *Report on Formulating the Concept, Principles and Parameters for Performance-Related Incentives in Government*, a consultancy report for Sixth Central Pay Commission, Government of India (Indian Institute of Management-Ahmedabad, July 2007)

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- g. The system of deciding on representations against adverse entries takes so long that reporting officers avoid giving an adverse entry. Often, for want of evidence against an employee, the reporting officer is in a defensive position and thus unable to justify the adverse remarks. In fact it will not be inappropriate to say that we rarely punish and never reward in the present system.
 - h. Due to a plurality of cadre controlling authorities, members of different Services working in the same Ministry may be appraised using different formats, which is irrational.
12. The current practice is to appraise the 'individual' rather than her/his 'performance' making the assessment almost personality oriented and not function related. In the absence of a mechanism to link the individual performance with the organizational goals and achievements, the appraisals are reduced to a narrow focus in the larger context of performance management.

Systemic issues in individual performance management

13. In addition to the inability of ACRs to act as an effective performance management mechanism, there are certain systemic issues which seriously affect the ability of civil servants to be good performers. Some of these issues are discussed below:
- a. *Absence of enabling conditions:* While speaking about performance of civil servants, we need to consider the limitations of the environment they operate in. The performance of an individual in a given position is determined by his individual attributes as well as factors like an encouraging and result-oriented institutional environment. In the Indian set up, civil servants at all levels are

hamstrung by lack of flexibility in program design, frequent transfers, lack of choice in formation of teams and budgetary limitations etc.

- b. *Risk aversion among civil servants:* Civil Servants are answerable to a number of agencies and institutions of the country. Some of these agencies like the CAG, statutory commissions etc. are entrusted with the task of finding gaps in the system, and they tend to focus on form and procedure, and perceived lapses or excesses of the executive. This, in turn, has compounded the problem of risk aversion and demoralization among civil servants⁸. L.K. Jha Commission had also concluded, "*What we have in our system is essentially accountability for error and wrong doing, and not for non-achievement or inefficiency.*"
- c. *Cross cutting nature of operations:* The functions of the government and the nature of its developmental tasks are multidimensional involving a large number of agencies in the process of decision-making. This leads to blurring of the organizational and individual accountability as the departments can pass on the blame for inaction on others by claiming that they had no sole control over the decision-making process. Line departments also face the problem of obtaining finance clearance at every stage of their work.
- d. *Disjointed setup for performance management:* We cannot ignore the fact that individual performance collectively contributes to the organizational performance and the performance of the

⁸ Dr. Prajapati Trivedi, *Improving Government Performance: What Gets Measured, Gets Done*, Economic & Political Weekly, Vol. XXIX, No.35, August 1995

organization in turn contributes to the performance of programs/projects implemented by the organization. However currently there are no robust mechanisms in place to assess the individual's performance in the context of the institution or program performance.

Towards a comprehensive Performance Management System

14. The need to shift from ACR to a more progressive Performance Management System suited to the requirements of modern government has been felt at all levels. The initiatives of the government in this regard include the introduction of a modified PA system for AIS officers, formulating the Public Service Bill 2007, the Sixth pay Commission report on 'Performance Related Incentives' in government departments and constitution of the second Administrative Reforms Commission which focused on 'Refurbishing The Personnel Administration'. The major recommendations on these issues are given below.
15. **Modified Performance Appraisal (PA) system:** Recognizing the importance of shifting from ACR to more progressive Performance Management System, the Government of India has modified the appraisal system for All India Service Officers in accordance with the recommendations of the Surinder Nath Committee (2002) with the following salient features:
 - It has a transparent approach as the appraisal report is disclosed to the officer appraised.
 - It suggests an interactive method of evaluation involving both the appraising officer and the appraisee in fixing realistic professional targets and work plan for the year.

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- It has job specific performance appraisal formats specifically linked to the individual tasks as well as the organizational goals.

Though the focus still continues to be on ratings and evaluation rather than on comprehensive performance management, the progressive aspects of the new system need to be recognized and extended to other Central Services and organizations.

16. **Public Services Bill 2007:** Government has taken a step forward towards introduction of a performance management system by making a provision in the proposed Public Services Bill that the government shall establish a Performance Management System for Public Service employees within twelve months from coming into force of this Act. It would lay emphasis on setting targets and priorities in line with government's plans and available resources, and preparation and periodical review of performance indicators of each employee.
17. **Proposal for Performance Related Incentives (PRIs):** IIM Ahmedabad has conducted a series of studies for the Sixth Central pay commission on the feasibility of introducing Performance Related Incentives (PRIs) in government. A model that would link the employee performance to tangible rewards through a pay structure having both fixed and variable components has been suggested. The study recommends implementation of the model including the provision of an annual bonus of up to 20% to employees whose achievements exceed certain targets. The Department of Science and Technology (DST) has already initiated the implementation of this model by suggesting a performance-related incentive scheme for research organizations on a voluntary basis.

Second Administrative Reforms Commission on Performance Management System

18. The Commission has made detailed recommendations for expanding the scope of the present performance appraisal system of government employees to a comprehensive performance management system which would link individual contributions to the strategic objectives of the organization. Annual performance agreements have also been prescribed between departmental ministers and secretaries for providing verifiable details of the work to be done.


Recommendations of the Second Administrative Reforms Commission

19. The salient recommendations made by the Commission are as follows:
- Appraisal formats of civil servants need to be more specifically linked to the tasks assigned to them and the goals of their organization. The appraisal format prescribed for civil servants should have three sections namely; (i) a generic section that meets the requirements of a particular Service, (ii) another section based on the goals and requirements of the department in which the employee is working, and (iii) a final section that captures the specific targets relating to the post that the officer holds.
 - The system should not only provide the means of reviewing past performance, but also find ways of future development of the individual's potential in line with the organization's strategic plan.
 - A performance review mechanism constituting two reviews at 14 and 20 years of service should be introduced to ensure

accountability and further continuance in service after 20 years should depend on the outcome of the performance reviews.

Performance management at organization and agency level

20. At organizational level, performance management in government is to be seen at the level of individual ministries, departments and public enterprises. Most of the evaluation is still being done on how the programmes or schemes are implemented and an organizational review is not contemplated. Similarly, there is no mechanism of assessing the achievements of an organization as organically linked with the performance of its staff at various levels.
21. **Ministries and departments at Central and State level:** Presently the performance management of the ministries and departments both at the centre and in the states is being done using conventional tools like periodic reviews, annual reports, budgetary exercises including performance budgets and the recently introduced outcome budget. In addition, special studies are also commissioned from time to time. The two major performance management mechanisms for the ministries and departments are *project related appraisals* and *Action Plans*. However the performance is usually evaluated in terms of the implementation of projects and schemes rather than assessing the organization itself. Some of these tools are described below.
 - a. **Performance budgeting:** It is a technique of presenting the budget of the Ministry in terms of functions, programmes, and activities. It also provides an indicator of the relationship between estimated inputs and expected outputs. There is a need to strengthen this mechanism by linking the budget allocations and expenditure needs of the ministries to the targets set out in the performance budget.

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- b. Action Plans: Following the recommendation of LK Jha Commission on Economic Administration Reforms (1982), the Action Plans have become an integral part of the functioning of all departments. These plans list all the tasks that a department plans to perform during the year with precise, quantifiable and measurable targets. Action plans have limited utility in performance management as there are no criteria to evaluate performance vis-à-vis targets.
 - c. Performance Audit: This is conducted by the CAG and the report is tabled in the parliament. However this mechanism also has a limitation as it does not happen on a systematic and continuous basis for all government institutions. These audits, however, have a lot of value as the NREGA audit brought out certain lapses in implementation of the programme prompting the Rural Development Ministry to push forward reforms in this regard.

22. **Memorandum of Understanding (MoU) in Public enterprises**

This is a major instrument of performance management in public enterprises. It is essentially a negotiated performance agreement between government and the management of the public enterprises. It specifies the expectations and responsibilities of both the parties and once the MoU is signed, the government is expected not to interfere in the day to day operations of the enterprises. This system improves accountability and enhances autonomy. The first set of MoUs was signed in 1987-88 based on the French system which only pointed out whether a particular target was met or not. Later MoUs by the government shifted to the 'Signaling system' which assigned weights to targets to derive composite scores based on the performance of the enterprise on a number of parameters.

23. Some observations from the MoU arrangement in PSEs⁹

- More than three-fourths of public enterprises assessed fall in the category of excellent or very good and none has been categorized as poor except in 1990-91.
- One view is that some enterprises may be showing profits in the short-run by sacrificing long term interests like investment in R&D.
- There is limited evidence of improvement in the enterprise-government interface.
- Efforts have not been made to drill down the accountability into the organization by encouraging the management to enter into similar agreements with workers.

24. Despite its limitations, the MoU system is gaining strength with its introduction in the subsidiaries of public enterprises. There are plans to implement the system in the states as well. Based on the Ashok Chandra Committee report, the Department of Public Enterprises (DPE) is also planning to make amendments in the existing MoU structure and introduce new concepts like the standard deviation method, while benchmarking the performance.

25. In order to ensure that the MoU system succeeds, it is important that certain essential conditions are met. These include the following¹⁰:

- **High level political commitment:** MoU system reduces the power of technical ministries and provokes resistance, which can

⁹ Ali Farazmand, Handbook of Comparative and Development Public Administration (CRC Press, 2001)

¹⁰ Prajapati Trivedi (Ed), *Memorandum of Understanding: An Approach to Improving Public Enterprise Performance* (New Delhi: International Management Publishers, 1990)

be overcome only with strong signals from the highest levels in the government.

- **Coordination:** There should be good coordination between the designers, implementers and policy makers, so that a consensus is generated on key issues.
- **Institutional support:** While the planning commission monitors the performance of PSEs in terms of project implementation, there is no dedicated institution to monitor the contracts. The monitoring agency should be able to demand information and make binding recommendations.
- **Incentives:** Incentives or sanctions linked to results ought to be made part of the MoU system. While the system exists in few PSEs, most others stay clear of such arrangement fearing backlash from employees.

Performance management systems at program or project level

26. India has an elaborate institutional set up for monitoring and evaluation of programs and projects for various kinds of government schemes. The following section looks at this institutional framework and the established mechanisms for performance management.

Institutional Setup for performance management of programs and projects

27. At the Union level, the performance management system in India can be seen as having five sub-systems. These consist of: (a) institutions under the Planning Commission, (b) institutions of the Ministry of Statistics and Program Implementation, (c) institutions that are part of the financial monitoring and control system, (d) institutions such as National

Informatics Centre that are responsible for the electronic storage, transmission and processing of data and (e) government's research and academic institutions that conduct impact studies, among other types of research.

28. The central system of monitoring in India mainly involves the Planning Commission and Ministry of Statistics & Program Implementation, whereas in the states, there are state planning departments and state evaluation organizations.

- a. **Planning Commission:** The Planning Commission has several divisions including the Program Outcome and Response Monitoring Division to monitor the programmes.
- b. **Ministry of Statistics & Program Implementation (MoSPI):** This Ministry operates through two wings, dealing with statistics and program implementation. The statistics wing comprises of the Central Statistical Organization (CSO) and National Sample Survey Organization (NSSO). While the CSO is mainly responsible for coordination, standard setting and training, the NSSO conducts large-scale statistical surveys. The Program implementation wing consists of 20-point Programme Division, MPLADS division etc.

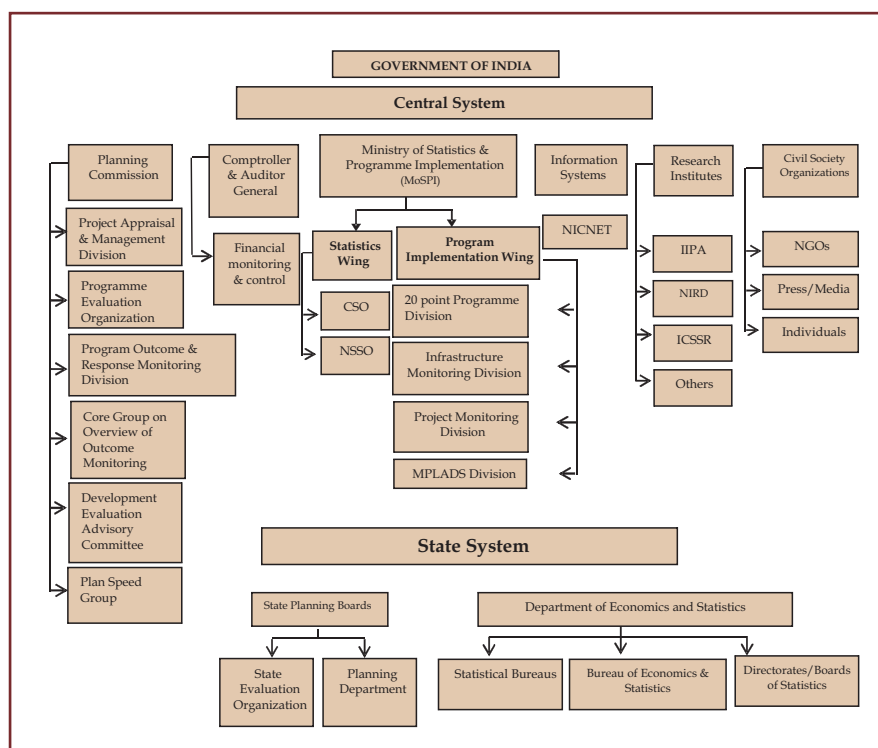
A similar setup exists in the states in the form of State Evaluation Office (SEO) which evaluates the state level schemes and reports the findings to the State Planning Department and implementing agencies.

- c. **Audit and Accounts:** There is a strong set of institutions which monitor the management of public finance and accounts. The

Comptroller and Auditor General (CAG) conducts audit of the government's financial performance to ensure that the central and state governments follow the norms of public spending. Audit has an important role in performance management.

The existing institutional set up for M&E at the central and state level is illustrated in figure 2:

Figure 2

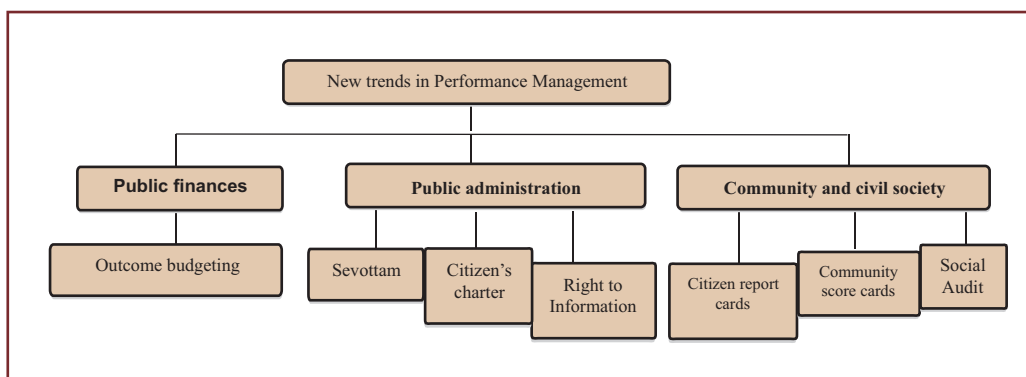


New trends in Indian performance management scenario

29. While the conventional performance management systems in government have earned the dubious distinction of being closed and

centralized with a focus on procedures, processes and inputs, there are certain new developments in the public management scenario in the areas of Public Finance, Public Administration and government interface with the community and civil society. These are shown in Figure 3 and the following section looks at some of the related initiatives that have a bearing on the practice of performance management.

Figure 3



Public Finances

30. **Outcome budgeting:** India took an important step towards outcome budgeting in 2005-06 with a note of caution in the budget speech that outlays do not necessarily mean outcomes and that the people of the country are concerned with outcomes. Outcome budget, as a performance management tool, helps in better service delivery, decision-making, evaluating programme performance and results. It is a progress card on what various ministries and departments have done with the outlays announced in the annual budget.



Public Administration

31. **Citizen's Charter:** Citizen's Charter is a declaration by the agency or department providing public service to specify the standards of service delivery and avenues for redressing grievances. About 107 Citizen Charters have been formulated by the center and state departments and about 629 Charters by other organizations. *The Citizen's Charter is an important tool to improve the quality of services, address the needs of citizens' rights and set clear standards of performance*¹¹.
32. **Sevottam:** The Department of Administrative Reforms and Public Grievances has introduced a model for benchmarking 'Excellence in Public Service Delivery (Sevottam)'. This is a framework for organizations to assess and improve the quality of service delivery for the citizens. It guides government departments to identify the services to be delivered to set service norms, align delivery capability with expectations of citizens, gauge the quality of service delivery through an objective assessment and to improve quality using interventions like business process redesign and information technology. 'Sevottam' is currently under implementation in ten central ministries and departments with large public interface.
33. **Right to Information (RTI) Act:** Through this recently enacted Act, citizens of India have access to information under the control of public authorities with the objective of promoting transparency and accountability in these organizations. The influence of this Act as a new paradigm in accountability is very significant in improving performance.

¹¹ HP Shiva Shankar, Faculty (Public Administration), *Citizen's Charters: An Empirical Study*, published by Administrative Training Institute, Lalitha Mahal Road, Mysore (Govt. of Karnataka)

Civil Society initiatives in performance management in government

34. While the focus of this paper is on the performance management mechanisms in government, it is worthwhile to look at a few path-breaking accountability tools initiated by the civil society movement which can be helpful in improving performance management.
35. **Citizen's Report Card (CRC):** These report cards are surveys that solicit user feedback on the performance of public services to enhance public accountability. These scores reflect the performance of public service providers based on citizen feedback. The CRC has a good potential to evolve as a tool to support performance management system.
36. **Community Score Card (CSC):** It is a community based monitoring tool that is a hybrid of the techniques of social audit and citizen report cards (CRC). This is an instrument to extract social and public accountability and responsiveness from service providers. As the citizens are empowered to provide immediate feedback to service provider, it facilitates community monitoring and performance evaluation of services, projects and even government agencies.
37. **Social Audit:** Social audit is a mandatory process of transparency whereby records are placed by government officials or elected representatives for public scrutiny. Whereas the 73rd and 74th amendments to the Constitution have created a large space for democratic decentralization, social audits are mandated in the programmes under NREGA and NRHM.

Summary

Key issues and challenges in performance management

38. This paper has analyzed the existing performance management scenario in government and has looked at the emerging trends. While benchmarking the existing systems with the basic theoretical foundations of performance management and international practices, we have identified certain key concerns and issues in performance management system in government.

Table 1: Key issues in performance management in Government

Issues at individual level	<ul style="list-style-type: none">• Absence of quantification of targets and evaluation against achievement of targets• Unclear performance standards• Neglect of job fit in appointments, and frequent transfers• Lack of mechanism to motivate for good performance• Absence of appropriate punishment/reward mechanisms• Absence of clear linkages between individual, organizational and program performance
Issues at Ministry/ department level	<ul style="list-style-type: none">• Funds granted to ministries are never linked with progress of the work or the targets set out in the performance budget• Lack of clarity regarding purpose and objectives of Action Plans• Inability to measure performance in the absence of appropriate indicators
Issues at Public enterprise level	<ul style="list-style-type: none">• Most PSEs rated excellent or good despite declining performance• Tendency of PSEs to show profits in the short-run by sacrificing long term interests• Lack of scope for true negotiation• No mechanisms to enable the movement of accountability to lower levels
Issues at program/ project level	<ul style="list-style-type: none">• Focus on inputs and process compliance neglects the outcomes and impacts• Lack of measurable indicators• Dichotomy between plans and budgets

Summary of available recommendations on performance management

39. This section looks at the major contemporary recommendations on various aspects of performance management in India as given in Table 2. An analysis of these recommendations is expected to give insights for charting the future course of action.

Table 2: Available Recommendations

Source	Recommendations on performance management
Public Services Bill 2007	<ul style="list-style-type: none"> • Setting targets and priorities in line with government's plans and available resources • Preparation and periodical review of performance indicators of each employee with well-defined principles for achievement.
Second Administrative Reform Commission	<ul style="list-style-type: none"> • Expanding the present system to a comprehensive performance management system • Individual contributions should be linked to the strategic objectives of the organization • Annual performance agreements to be signed between the Minister and the Secretary/Heads of Departments, providing physical and verifiable details of the work to be done during a financial year • The proposed Central Public Services Authority may be the third party to monitor performance • PRI (Performance Related Increments) should be introduced as an extra incentive on top of the total compensation package
Sixth Central Pay Commission	<ul style="list-style-type: none"> • PRI should be implemented at all levels, individually or for groups, such that the incentive structures of lower-level and higher-level employees are not in contradiction. • PRI should be implemented based on multi-dimensional assessment of performance including public/ stakeholder service delivery. • PRI should be paid out of the funds generated by the ministries/ organizations through their own resources so that the system is budget neutral.

Points for discussion

40. A critical analysis of the existing performance management arrangements in the government throws up the following key issues for discussion.
 - a. **Absence of an appropriate HRM system:** Effective utilization of the available human resources is important and the governments cannot remain blind to the absence of a strategy for HR management to leverage the skills and knowledge of their workforce. The key concerns that need to be addressed in this regard are discussed here.



- *Dissatisfaction:* Employees by and large have a feeling that most of the matters related to them like recruitment, professional trainings, postings, transfers, seniority lists, promotions and retirements are processed in a tardy manner and with considerable delay. This leads to employee dissatisfaction and affects the morale.
 - *Job fit:* An equally important requirement within government is in identifying the right person for the right job. Though this identification process is constrained by departmental structures, it will still be possible to a reasonable extent to identify the right person for the given requirements of a job.
 - *Employee information management system:* For choosing the right person for the right job, the details of qualifications, experiences and skill sets of all employees need to be available in the form of a consolidated database capturing the relevant particulars including the capacity profile and training needs of the employees.
 - *Grievance Redressal mechanism:* Not much attention has been paid to setting up effective internal grievance redress mechanisms which the government personnel can use to register their grievances and get a satisfactory response in a time bound manner.
- b. **Addressing systemic issues:** Certain questions and systemic issues would arise while revamping the performance management systems. These questions are posed below.




- How to evaluate the performance of an individual who operates under the institutional constraints of lack of flexibility in program design, frequent transfers, lack of choice in formation of teams and budgetary limitations?
 - How to evaluate the performance of an individual who performs multiple tasks as part of different programmes/projects and may also report to different authorities?
 - How to evaluate performance when different departments / organizations work together for a single programme?
 - How to distinguish between the personal and institutional determinants of an individual's performance and give appropriate weightage to each in assessing the overall individual performance?
 - How to disaggregate program level objectives into departmental / institutional level objectives and then to break them down to tasks at the level of an individual.
- c. **Roles and responsibilities of the Central Public Services Authority (CPSA):** In the wake of concerns outlined about performance agreements, the role of the CPSA, the proposed third party to oversee the performance agreement according to Public Services Bill, 2007 assumes significance. Due consideration should go into the legal status of such a body to ensure that it upholds the true spirit of the proposed performance agreement.
- d. **MoU based performance management system:** It is a moot point whether the MoU system as practiced now in the PSEs requires improvement. Here

are some reflections on how to adopt this system for the government departments and Ministries.

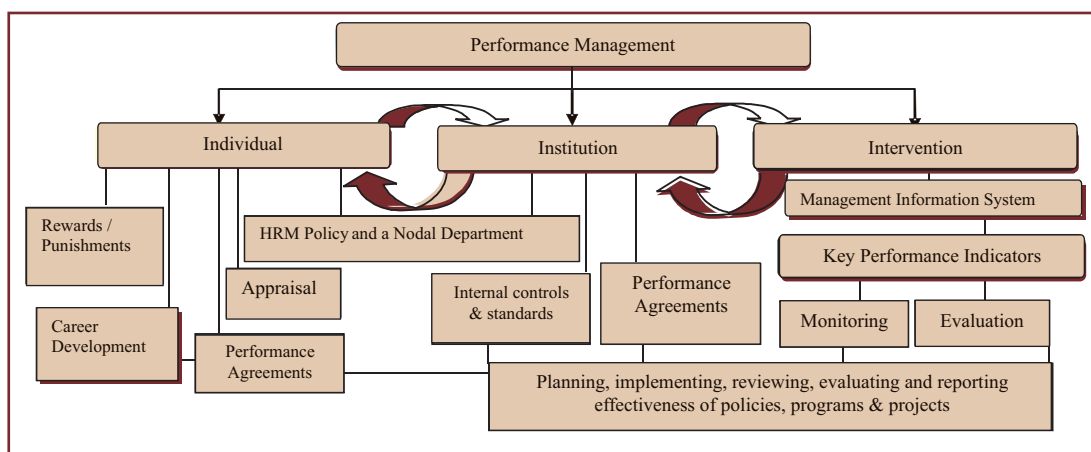
- *Introduction of performance agreements at individual and institutional level:* The need for introduction of annual performance agreements in government is evident from the recommendations of the Second ARC as well as the international examples of successful initiatives.
- *Verifiable indicators:* Performance agreements require the expected results to be expressed in terms of verifiable input and output based indicators, which need to be evolved through serious deliberations.
- *Third party assessment:* Once the agreements are signed, the performance of the Secretary/ Head of the Department needs to be assessed by a third party, say, the Central Public Services Authority, with reference to the annual performance agreement. New concepts like 'Balanced Score Cards' or '360 Degree Feedback' may also be considered for introduction.
- *Dissemination:* Mechanisms for dissemination of the details of the annual performance agreements and the results of the assessment by the third party need to be put in place.
- *Incentive system:* It is important to create an appropriate incentive system for rewarding good performance and punishing the non-performers. The system suggested by the Sixth Pay Commission based on the studies¹² by IIM Ahmedabad can be integrated with performance agreements or a provision of performance linked bonuses can also be considered.

¹² Prof Biju Varkkey, *Report on Formulating the Concept, Principles and Parameters for Performance-Related Incentives in Government*, a consultancy report for Sixth Central Pay Commission, Government of India (Indian Institute of Management-Ahmedabad, July 2007)

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- *Clarifying accountability:* The new accountability mechanisms will be effective only if they have legal validity. An issue for debate is whether the proposed draft Public Services Law, 2007 could have a provision for the Secretaries/ heads of departments to sign performance agreements.
- e. **Building in accountability tools in program design:** A highlight of the implementation of National Rural Health Mission and National Rural Employment Guarantee Scheme has been the trend of integrating accountability tools into the program design. Similar exercise needs to be undertaken in case of other important programmes as well.
- f. **Mechanism to act on feedback:** While a number of institutions gather information on performance, there is no central mechanism to generate useful feedback from this information. A nodal department dealing with Human Resource Management may be required both at the Centre and state levels to deal with performance management issues.
- g. **Need for concurrent evaluation:** Concurrent evaluation is an internal control process. In the Indian context, the responsibility for such evaluation lies primarily with the executive and one of the tools to do so is internal audit. There is a need to develop and standardize these control processes besides insisting on evaluations that are more frequent than annual assessments.
- h. **Need for an integrated approach in performance management:** In order to move towards an integrated performance management system it is important to ensure that the performance of individuals and institutions are interlinked. The following framework is suggested for this. It has individuals, institutions and a set of monitoring and evaluation

interventions at the core. The goals set for institutions in terms of desired outputs are further drilled down to define individual performance targets with appropriate performance indicators and a strong Management Information System. These efforts need to be backed by a Human Resource Management policy with a nodal department to do that.

Figure 4: The 3-I framework for performance management in government



41. Conclusion

There is a strong need for a robust performance management system to be introduced in the government covering all organizations and different levels of functionaries. Time has also come to look at a paradigm shift in ensuring accountability by introducing concepts like service agreements and bringing in the tools of social accountability to involve the citizen also in appraising the performance. The alignment between individual performance and organizational goal is also of utmost importance by introducing an appropriate set of performance indicators.

Measuring performance is useful only when it translates into action. Performance management tools by themselves do not create sustained high performance. It is important to create an environment conducive for effective and efficient performance with a system of rewards and punishment, besides building capacity at all levels of government to get results.

Abbreviations

ACR	-	Annual Confidential Report
AIS	-	All India Services
ARC	-	Administrative Reforms Commission
CAG	-	Comptroller & Audit General of India
CEGC	-	Central Employment Guarantee Council
CHC	-	Community Health Centre
CPSA	-	Central Public Services Authority
CRC	-	Citizen's Report Card
CSC	-	Community Score Card
CSO	-	Central Statistical Organization
DPC	-	District Programme Coordinator
DPE	-	Department of Public Enterprises
DST	-	Department of Science & Technology
GP	-	Gram Panchayat
HRM	-	Human Resource Management
IIM	-	Indian Institute of Management
MIS	-	Management Information System
MPLADS	-	Member of Parliament Local Area Development Scheme
MSPI	-	Ministry of Statistics & Programme Implementation



NIC	-	National Informative Centre
NREGA	-	National Rural Employment Guarantee Act
NRHM	-	National Rural Health Mission
NSSO	-	National Sample Survey Organization
PA	-	Performance Appraisal
PEO	-	Programme Evaluation Officer
PMS	-	Performance Management System
PRI	-	Performance Related Incentives
PSA	-	Public Service Agreements
PSE	-	Public Sector Enterprises
PSU	-	Public Sector Undertakings
RTI	-	Right to Information
SEO	-	State Evaluation Officer
SEGC	-	State Employment Guarantee Council

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Knowledge Partner: Centre for Policy Research, New Delhi

Chairperson: Shri K. M. Chandrasekhar

Panelists: *Shri T.K.A. Nair*
Shri Wajahat Habibullah
Shri V.N. Dhoot
Shri D. Swarup
Shri G. K. Pillai

Introduction

*I*t is widely recognized that governance in India today faces a serious crisis of accountability. The very fact that despite significant economic growth, and substantial increases in social sector expenditures, India continues to perform far worse than countries much poorer than her on key development parameters is an indicator of just how deep the problem of accountability is. Accountability failures have meant that absenteeism, incompetence, inefficiency and corruption characterize every core service that the state is obliged to deliver to its citizens.

This discussion note examines the crisis of accountability in the context of the Indian civil services. It argues for the importance of creating mechanisms for direct accountability of the civil services to citizens and attempts a preliminary articulation of mechanisms and instruments by which this accountability can be achieved.


The paper is structured as follows: **Section 1** analyzes the concept of accountability. It begins with an overview of the notion of accountability and goes on to tackle the question of why civil service accountability to people is not just desirable but also necessary. **Section 2** details some core analytical principles that offer the building blocks for designing a system for accountability to the people. **Section 3** offers some preliminary thoughts on mechanisms and instruments through which to actualize this form of accountability.

Section 1: Understanding Accountability: A diagnostic

Accountability can broadly be defined as the obligation of those holding power to take responsibility and be held answerable for their behavior and actions. This obligation might stem out of a moral-ethical need to account for one's behavior, or out of a legal requirement. It is a relational concept, as it concerns the relationship between those that perform an action or deliver a service and those on whom the service has an effect. At its core accountability can be conceptualized in terms of principles and agents, where accountability is a relationship between a principal X and an agent Y acting on behalf of Principal X¹. There are two critical elements to actualizing this notion of accountability. The first is the question of determining who should be accountable to whom and for what? Second is that of developing institutional mechanisms and an incentive structure for sanctions and rewards on the basis of which accountability is realized. Accordingly, accountability has an *answerability* element- the need for justification of actions, and an *enforcement* element- the sanctions that can be imposed if actions or justifications are judged unsatisfactory².

¹World Bank (2006), 'India Inclusive Growth and Service Delivery: Building on India's Success', Development Policy Review

²Goetz, A.M and Gaventa, J (2001) 'Bringing Client Voice and Client Focus in Service Delivery', IDS Working Paper No. 138, www.ids.ac.uk



Public accountability- the need for the institutions of the state to be accountable for its actions - stems out of a social contract that citizen's share with the state. There are institutional provisions to ensure that the state respects this contract. On the one hand, there are mechanisms for **external** accountability or accountability directly to citizens. In democracies, elections are the chief institutional mechanism through which this is achieved. There are also mechanisms for **internal** accountability institutional checks and balances and internal oversight. The constitutional separation of powers into the judiciary, executive and the legislature, internal performance monitoring and official oversight including bodies like the auditor general and ombudsmen are some examples of internal accountability.

Public accountability is realized through a 'long route' where external and internal accountability - the two arms of the long route- operate in tandem³. First, citizens must be able to draw on the external accountability mechanisms to express their preferences and hold the state- politicians and the senior levels of the administrative bureaucracy- to account for the fulfillment of these preferences. The state in turn, acting as an agent for its citizens, must be able to activate internal accountability mechanisms to transmit these demands to the actual provider of services (line agencies, departments, public sector bodies) and hold them accountable for service provided. Accountability is ensured when the incentives to service providers are aligned to the ultimate preference of citizens and providers are made directly accountable to people.

The long route of accountability fails when on the one hand, external accountability is weak and the state does not succeed in taking cognizance of its citizenry's needs and demands and on the other, the state is unable to create incentives for providers to satisfy citizen's wishes and be accountable to them.

³ The notion of the 'long route' to accountability was first mooted by the World Bank in its analysis of accountability in the World Development Report (2004), 'Making Services Work for the Poor', World Bank

India's public administration framework is a classic example of the complete failure of this long route of accountability. There are a number of reasons for this.

Weak accountability of policy makers

In India, mechanisms for ensuring external accountability of policy makers are extremely limited. Emanating in part as a consequence of its colonial legacy which necessitated an opaque administration that was distanced from its people - administrative or civil service accountability in India has always been internal. External accountability is conceptualized in the narrow framework of elections and demanded specifically of elected representatives. In this framework, civil service accountability to the people is at best 'indirect' through accountability to the political class. This notion has two problems worth highlighting.

First, it erodes accountability of the civil services for policy related decisions and relevant outcomes. The civil services, particularly at the higher echelons of the administrative hierarchy play a critical role both in determining policy choices as well as charting the course through which policy is implemented. Internal accountability insulates the policy making process- basis on which decisions are taken, standards set and performance judged- from public scrutiny. This results in information asymmetries. Citizens have no means of accessing information on how decisions are made or on the basis of decisions. Moreover, there are no mechanisms for measuring outcomes of policy decisions as there is no information on standards and goals that policies seek to achieve. As a result, accountability breaks down.


Overlaid on this, is the hierarchical nature of the bureaucracy which privileges a top down approach to policy making. In this framework, power is centralized at the level of the line agency which sets service standards and at the

same time tightly controls the implementation, including resource allocation of services. There are many problems with this approach. From the perspective of accountability, its greatest failing has been the complete absence of citizens' participation in bureaucratic decision making. Consequently, policies and programs bear little resemblance to citizen's needs and preferences. Box 1 examines this problem illustratively through the lens of the evolution on policy to address the sanitation problem. It highlights that top down approaches can result in the wrong problem being addressed leading to a complete disconnect between stated outcomes and real impact of policies.

Box 1: Top down policy making compromises accountability: The case of sanitation policy

In 1986, the Government of India launched the Central Rural Sanitation Program (CRSP) to construct latrines in every village. There was little traction for the program and coverage remained low—at 20% in 2001. But more troubling was the fact that when latrines were constructed, they were rarely used. In Himachal Pradesh alone, of the 4 lakh toilets constructed a mere 3% were being used. In Maharashtra, 1.7 million toilets were constructed between 1997 and 2000, but by the government's own estimation, 53% were used for purposes other than toilets. The CRSP experience was a clear case of identification of the wrong solution and developing a program that did not bear any reflection with people's needs and preferences. The problem was not one of infrastructure rather it was one of a poor understanding of the relationship between sanitation and health pointing to the need for a public health intervention rather than an infrastructure one. A review of the program in light of this experience and shift in focus towards a behavior change model that emphasizes public health outcomes has met with far greater success than the toilet construction drive.

One argument often made in favor of internal accountability of the civil services is that accountability to the people is achieved indirectly through accountability to the political class, who in turn are accountable to the people through the electoral process. This notion of accountability is premised on the assumption that there exists a clear separation of powers between the legislature and the executive where the legislature determines policy and the executive implements policies with clear legislative oversight. In practice, this separation is extremely weak.



For a variety of reasons, elections as an instrument for external accountability have some well known weaknesses⁴. In India, these weaknesses are exacerbated by the particular nature of the evolution of Indian democracy. Politics in India is marked by a conception of competition where to hold the state accountable is to gain access to its power and the goods it provides. Clientism and patronage are rife and voters are mobilized more on the politics of caste, regional or religious identity than on the politics of accountability and initiatives that bring long term benefits to the public as a whole⁵. Consequently, the state and its apparatus, including the bureaucracy are treated not so much as a means of generating public goods but as a means of generating benefits for the particular group that controls the state.

Rampant politicization of the bureaucracy is an outcome of this politics. Frequent transfers, arbitrary promotions and appointments made by political bosses are the norm in the bureaucracy today. According to one estimate, Uttar Pradesh witnessed over a 1,000 transfers in a period of two years between 1996 and 1998. Under one head of government, transfers ran at an average of seven per day⁶! Politicization has resulted in a collusion of interests between the legislature and the executive, curbing any incentive for instituting internal accountability. As box 2 illustrates, when interests collude, policy decisions are based on the achievement of short-term political gains rather than citizen preferences. Incentives for performance are weak and corruption becomes unavoidable.

⁴ Weaknesses in elections as an accountability mechanism have been the subject of much analysis. For one thing, elections occur only once in every few years, but they also force an incredible diversity of opinions and evaluations together into one single vote, this makes them a rather blunt instrument to convey accountability signals to individual office holders.

⁵ Mehta B.P, (2008), 'Citizenship and Accountability: The Case of India' (*forthcoming*)

⁶ Jalan, B (2005), 'The Future of India', Politics, Economics and Governance', Penguin



Box 2: When the legislature and the executive collude: The case of education in Uttar Pradesh*

A recent analysis of the political economy of education in Uttar Pradesh by Kingdon and Muzamil (2003) reveals that teachers are strongly unionized and command a lot of political clout. Many teachers are active politicians themselves. Kingdon and Muzamil estimate that the proportion of teachers elected to the Upper House in UP range varies from 13% to 22% of the total members. In the lower house, teachers accounted for 10.8% of all elected MLAs in the 1993 election and 8.7% in the 1996 election. Their share of cabinet posts was even higher at 16.3% in 1991-92. This rather high representation of teachers in the UP politics persists till today. Mayawati, the current UP Chief Minister, was herself a teacher before she took the political plunge. When interests so clearly collide, the system is rid of any incentives to make policy choices that go against teachers interests or create mechanisms for enforceability of non-performance. This is one the primary reasons for persistence of absenteeism and poor learning achievement levels in India.

* Kingdon and Muzzamil (2003), 'The political economy of education in India', Oxford

Politics aside, oversight of the executive by the legislature is further compromised by the fact that institutional mechanisms through which this oversight function is realized are ineffective. Box 3 examines this in the context of Parliamentary Questions arguably one of the chief instruments through which the legislature can hold the executive to account. Another instance of ineffective oversight is the failure of Parliament to enforce governmental compliance with audit findings. Parliamentary procedure requires that all audit reports be tabled in parliament. The Public Accounts Committee (PAC) scrutinizes these reports and recommends action to be taken. In practice, the PAC has failed to ensure enforcement. The figures speak for themselves. According to the Comptroller and Auditor General of India, of 9,000 audit paras included in reports tabled in Parliament between 1994 and 2008, over 3,000 are yet to be responded to⁷.

⁷ CAG speech, 2008, www.cag.gov.in

Box 3: Whose questioning whom? The slow erosion of parliamentary questions as a means for holding the executive to account?

Formally, Parliamentary questions offer the principal means by which the legislature can hold the executive to account. Constitutionally, any Member of Parliament (MP) can ask government questions to be responded to in Parliament by the minister orally (starred) or in written (unstarred). In practice, the number of questions is limited. 20 starred and 230 unstarred questions can be responded to on any given day. Questions tabled by members are prioritized through a secret ballot. Parliamentary rules have no mechanism to ensure that questions which do not make the priority list get answered. Consequently, critical issues never get questioned, debated or discussed in Parliament. Procedural issues apart, in recent times the relative decline of parliamentary procedure, in particular the reduction in the number of sittings per session (the 14th Lok Sabha hit an all time low with 50 days in 2008-09) as well as poor quality of questions asked has further diminished the importance of question hour as a means of ensuring accountability in India's governance systems.

Weak accountability of service providers

As mentioned, for the long route of accountability to be realized, policy makers must be able to activate internal accountability mechanisms and create institutional incentives, through which providers act in the interests of people and accountability is ensured.

A key element of ensuring accountability is the ability of policy makers to monitor service provision and institutionalize incentives for performance. In administrative and managerial parlance, this refers to the 'contract' or 'compact' between policy makers, line departments and front-line service providers on the basis of which services are delivered. As the history of implementation of programs and schemes in India amply demonstrates, the sheer size and scale of government operations makes direct monitoring- even for the best intentioned civil servant- of the front-line service provider almost impossible. On occasions where monitoring does happen, it is undertaken necessarily on the basis of inputs buildings built, roads constructed, hand pumps constructed, rather than

on outcomes of what these buildings, roads and hand pumps yield. Thus performance, when judged, is not based on any 'real' indicators of service provision removing any real incentive for performance.

Box 4: The importance of being measured

There is a growing body of public policy literature that argues for the importance of measuring outcomes as the real indicator through which performance of policy decisions can be determined. This emphasis is a consequence of the recognition that there is a weak correlation between financial input and outcomes. On this view, measuring impact of public policy and expenditures incurred to implement policy requires going beyond an input orientation to determining what these expenditures yield. Does for instance, the construction of a road lead to greater connectivity? Does access to a public health center improve health conditions? Does building a school lead to quality education? Measuring performance through outcomes can enhance accountability in many ways. For one thing it makes explicit, the objectives, outputs and outcomes expected from public expenditures. In doing so, it articulates clear benchmarks on the basis of which performance of policy objectives can be measured. To be effective, measurement must be accompanied by increased information on how well stated objectives are being met.

Another factor that has contributed to ineffective monitoring is the fact that information on public expenditures is weak. Ideally, this information should be made available through central and state budget documents. But in practice, budget documents never report on actual expenditures for schemes. These are only available through audit documents tabled in Parliaments and state legislatures. The audit system has its own set of problems including delays and weak enforcement of audit findings. In the absence of adequate mechanisms for expenditure tracking, there is no relationship between funds released and capacity and willingness to spend at the local level. Transparency in fund flows and expenditures is compromised and consequently, leakages and expenditure inefficiencies go unnoticed. The result: a complete breakdown of accountability.


How does this unfold in practice? Consider the case of India's primary health care sector. The central feature of the current public health care system is a

network of primary health care centers (PHC) and sub centers where salaried, government appointed doctors and nurses are expected to treat patients. But what do patients encounter when they arrive at the PHCs. First, *Vacancies*- a recent countrywide study estimated average vacancies to be 18% among doctors, 15% among nurses and 30% among paramedics. Second, *absenteeism*- absenteeism rates across India average 40% with Bihar topping the list at 60%. Third, *incompetence*- a recent study on the quality of medical care in Delhi found that the competence levels of a public sector MBBS doctor in a PHC were so poor that there was as high as a 50:50 chance of the doctor recommending a seriously harmful therapy. In treating diarrhea, a basic health problem that 70% of doctors report facing 'almost every day', the typical doctor recommended harmful treatment at least 75% of the time. Fourth *corruption*, according to a 2005 Transparency International study, health care services account for the largest share of bribes-27% -paid for public services in India⁸.

The crux of the problem with the health care system is the failure to monitor performance and enforce sanctions. All doctors appointed to PHCs are hired, paid, monitored and therefore accountable only to state governments. Since monitoring is weak, and fund flows including salaries and infrastructure-related monies flow despite weak monitoring, a PHC doctor's performance has little to do with remuneration. If public doctors miss their clinic opening hours or give poor quality service, they still get their salary. So what is their incentive to perform?

These weaknesses in the long route to accountability point to the urgent need to revisit current conceptualizations of civil service accountability as something internal to the system and divorced from citizens towards one that

⁸ Chaudhury, N, Hammer, J, Kremer, M, Muralidharan, K, Rogers, H.F, (2006), 'Is there a Doctor in House', forthcoming and Das, J. and Hammer, J (2004a) "Which Doctor? Combining Vignettes and Item Response to Measure Doctor Quality." Policy Research Working Paper Series, #3301. The World Bank, forthcoming in *Journal of Development Economics*.




engages more directly with citizens. This notion of greater accountability to the people is not without precedent. Across, the world, governments are experimenting with new ways of strengthening citizen engagement in policy making and administration. Often referred to as 'social accountability', representing a form of accountability that breaks the state monopoly on oversight functions and actively encourages citizens to participate in its institutions. India has long been considered one of the pioneers of this form of accountability-owing largely to efforts undertaken in the civil society space. Equally, and partly as a consequence of civil society efforts, there are some important examples of state initiated reforms that have attempted to strengthen social accountability with varying levels of success. Crucial amongst them are efforts to strengthen decentralization of government through the 73rd and 74th Constitutional Amendment, localization of monitoring through the creation of community based oversight bodies, citizen charters and the Right to Information Act.

Section 2: Institutional design for Accountability: Some analytical considerations

In the previous section, we addressed the question of whom the civil services ought to be accountable to. These next two sections deal with the more practical challenge of designing an institutional structure through which accountability to the people can be realized. One way of thinking about this is to go back to first principles. What are the key underlying analytical criteria on the basis of which accountability to people or external accountability can be ensured? We identify two key characteristics of an accountable system.


1. **Regular, reliable and relevant information:** As the previous discussion highlighted, informational asymmetries- lack of access to information on government processes and performance- lie at the heart of accountability



failures. Transparency holds the key to strengthening accountability. The passage of the Right to Information Act in 2005 is a critical step in the direction of institutionalizing transparency in administrative structures. However, transparency while necessary is not itself sufficient to ensure accountability. For information to result in accountability it needs to be produced regularly, reliably and in a fashion that is relevant to citizens. Demystifying complex government records so that they are intelligible to citizens is key. For instance, access to complex budget documents or audit reports will play a limited role in strengthening accountability. However, if these reports are de-mystified, using a non-technical vocabulary, they can be made relevant to citizens and accountability better enforced.

2. **Clear delegation of roles and responsibilities with commensurate powers and resources:** External accountability also requires reorganizing internal administrative procedures and accountability mechanisms. One important aspect of this is to ensure that every level of the administrative system has clearly defined roles and responsibilities with goals that are clearly specified. This allows the possibility of affixing accountability to specific levels of administration as well as developing benchmarks on the basis of which performance can be judged.

The challenge lies in determining the basis for this delegation. There needs to be a clear basis upon which specific roles and activities are assigned to specific levels of the system. Second, the delegation of roles and responsibilities must be accompanied by the delegation of resources that would allow functionaries to fulfill their roles. In the absence of this, delegation could end up confounding rather than strengthening accountability. Analysts have identified three key first principles of



accountability on the basis of which role and responsibilities can be assigned⁹:

- a) *Degree of discretion*: A discretionary activity is one in which the successful delivery of a service requires for the frontline provider to adapt to local conditions instead of providing the same thing every time. Discretionary activities should be thus be assigned to front-line staff with the powers and resources- including some flexibility over budgets so that the nature of the activity can be adjusted to adapt to local conditions.
- b) *Degree of transaction intensity*: Transaction intensive activities require repeated transactions at the local level. The greater the transaction intensity, the greater the need for local control.
- c) *Ability to observe performance*: Where can performance be best monitored? If the activity requires technical expertise, performance is best judged by experts. But if the activity is simple and with easily identifiable performance indicators, local level monitoring is best. So for instance in the case of education, curriculum development may require technical evaluation but monitoring teacher presence and children's learning achievement is best done locally.

When applied, these first principles will give different answers for different sectors and services. However, they do allow for the articulation of some broad steps that can be taken both to strengthen delegation as well as

⁹For a more detailed discussion on these first principles see Pritchett, L and Woolcock, M (2002), "Solutions when the solution is the problem: Arraying the Disarray in Development", Centre for Global Development, Working Paper No. 10. Also see Pande, V and Pritchett, L (2006), "Making primary education work for the rural poor: A proposal for effective decentralization", Social Development Working Paper Series No. 92, World Bank


information flows to citizens. In the next section we offer some preliminary thoughts on what these steps might be.

Section 3: Preliminary thoughts on mechanisms and instruments for accountability

As discussed in the first section, the notion of strengthening civil service accountability to the people has been at the forefront of many recent reform efforts within the civil services. This section is not an effort to re-invent the wheel. Rather, it hopes to offer inputs and discussion points that can build on on-going reforms and institutionalize mechanisms for direct citizen engagement with the civil services. The first principles detailed above offer the basis for these discussion points.

1. *Greater decentralization*

The 73rd and 74th amendments to the Indian constitution have sought to strengthen accountability by decentralizing power to smaller, local units of government. The process of devolution of power has proceeded unevenly with political decentralization (elections to local bodies) running far ahead of administrative decentralization- where functions, funds and functionaries (3F's) are yet to be devolved adequately. The rationale for decentralization stems from the assumption that bringing governments closer to people, enhances accountability by more accurately reflecting citizen needs and preferences and crucially, making it easier for citizens to monitor performance and thereby demand accountability. Yet, all would agree, that decentralization is no panacea. After all, simply plumping greater resources to local governments without systematic reforms is unlikely to have an impact. Decentralization however, precisely because of its logic of bringing governments closer to people, offers an important opportunity through for undertaking reforms and greater accountability to the people provided the design is right.



What are the features of a well designed decentralized system of government? First and foremost, the funds, functions and functionaries must be aligned such that functions are clearly delegated at each level of government and funds and functionaries are made commensurate with functional responsibilities. For accountability to be ensured and if local governments are to accurately reflect citizens needs and desires, funds need to be transferred in a manner such that local governments have the power to take decisions over resource allocation. Crucially, this greater autonomy must be accompanied by greater public scrutiny. Strengthening public access to information on local government budgetary allocations is one possible way through which this can be achieved. In rural areas, for instance, information on budgets allocated could be made accessible by painting information on the Gram Panchayat building. Mandatory scrutiny of budget documents at the Gram Sabha is another mechanism. Advertisements on budgetary allocations could also be published in the local media and disseminated through local radio channels.

But how does one create incentives to ensure that information dissemination takes place? Many of the provisions for dissemination described above already exist. Yet, they never get implemented. One option is the creation of an independent regulatory agency that monitors information dissemination activities at the local level. Alternatively, proactive disclosure of budgetary details can be linked with the financial audit process such that failure to disseminate information gets a red flag in audit findings. We discuss this issue in greater detail in the section on social auditing.

2. ***Greater monitoring of public expenditures:*** As has been discussed earlier in this note, effective monitoring is crucial to accountability and for monitoring to be effective information on public expenditures is critical.

In 2008, the central government recommended the creation of a Central Plan Schemes Monitoring System (CPSMS) to track and monitor expenditures at the state and district level for centrally sponsored schemes. This is a welcome move. But is tracking funds to the district sufficient? After all, real expenditures are incurred at levels far below the district and usually the service delivery point- be it the school, the primary health centre or the public works site. Can systems be developed to track funds all the way down the system to the service delivery point? Lessons can be learnt from the web based information management system built by the government of Andhra Pradesh for the National Rural Employment Guarantee Act (Box 5) that reports on financial performance and progress at the level of the individual job card holder.

Box 5: Andhra Pradesh's MIS System for NREGA: Key Features


In 2006, the Government of Andhra Pradesh (AP) instituted a process to develop an information management system (MIS) to track the implementation of the National Rural Employment Guarantee Act (NREGA) in the state.

The AP NREGA MIS is a web-based MIS. The Mandal Control Centre (MCC) is the lowest node where information entry happens. Each MCC is connected to the central database in Hyderabad through the district level. When wage-seekers apply for job-cards at the Gram Panchayat (GP), their details are registered into the MIS, and the MCC generates a job-card for the household, which is assigned a unique ID. Details of the works are also maintained in the Works Shelf part of the MIS. Once the work begins, the field assistant sends a weekly progress report on the work, along with the muster rolls to the MCC. Data entry happens at the MCC, and then payment orders are generated, which are sent to the GP for display. Payments are done either through the banks or the Post Offices, and these are also tracked on the MIS.

Because all information about every transaction, every work and every household is entered into the MIS, not only can the process be monitored at every step, the system can also generate all kinds of reports that enable detailed analysis of the program. For instance, there can be reports on beneficiary households at the state, district, mandal and GP levels, disaggregated along indicators which enable important analyses like gender-wise and caste-wise wage analyses, and work-access and wage analyses for disabled wage-seekers. There are also reports that enable comparison and tracking of progress of works undertaken at different levels, the delayed payment reports, and detailed reports on the performance of the program.

3. *Mandatory social auditing*

The concept of social audits - the cross-verification of government records and data with information on the ground and the sharing of audit findings with government through public hearings- has gained much ground in recent years as an important tool through which accountability can be



realized. With the passage of the National Rural Employment Guarantee Act (NREGA) social audits of NREGA works is now mandatory and some state governments (Box 6), have taken path breaking steps in the direction of institutionalizing social audits in to the everyday functioning of government.


Box 6: Social Audits in Andhra Pradesh

With built-in features like decentralized planning and implementation, proactive disclosures, and mandatory social audits on its projects, the National Rural Employment Guarantee Act (NREGA) provides the catalyst for activist governments and civil society organizations to institutionalize accountability tools in governance system. A remarkable instance of one such activist government is Andhra Pradesh which has since the inception of the program in 2006 been conducting systematic and regular social audits on its NREGA works across the state.

A strong political will and committed top-level bureaucracy provided the impetus for this venture. The institutional space for developing a team and managing the social audits was found in the Strategy and Performance Innovation Unit (SPIU) of the Department of Rural Development. Between March and July 2006, the Department collaborated with MKSS, the civic group in Rajasthan that pioneered social auditing in India, to hold training sessions for officials and interested civil society activists, and to help with the design and conduct of pilot social audits. These trainings culminated in the setting up of strong cadre of 25-member state resource persons, drawn exclusively from the civil society, which is crucial to ensuring a high degree of autonomy and objectivity in the exercise. In addition, 260 district-level resource persons have also since been trained. The actual audit is conducted by educated youth volunteers in the village, who are identified and trained by this pool of resource persons. The first social audit was conducted in July 2006. Since then, an average of 54 social audits are conducted every month across all 13 NREGA districts.

This is a unique instance in that nowhere else in India have social audits taken place on such a large scale with such frequency. And although research needs to address whether such deep institutionalization of accountability mechanisms has indeed resulted in improved accountability in service delivery, emerging evidence points to significant and lasting improvements in citizens' awareness levels, their confidence and self-respect, and importantly their ability to engage with local officials.

Despite these successes, institutionalizing social audits remain a challenge. First, the success of a social audit is crucially dependent on transparency. To conduct a social audit, citizens must have access to information on the basis of which government performance can be verified. The Right to Information Act, through its provisions for mandatory disclosure (section four) of information on all proceedings by government departments provides the institutional framework through which this



transparency can be enforced. In practice, most government departments have failed to comply with disclosure norms articulated in the Act. The challenge thus lies in ensuring compliance with the Act. One possible way by which this can be achieved is to link disclosure with the formal audit process by making compliance audits on section four provisions a mandatory part of the yearly financial audit.

Second, for social audits to take root, communities need to be mobilized both to generate demand for social audits and for communities to participate in them. How can government's facilitate this mobilization? Moreover, is mobilization a governmental responsibility? The Andhra Pradesh government (Box 6 above) experience with conducting social audits is instructive in this regard. In the Andhra model, the government merely acts as a facilitator providing resources and the institutional set up for social audits to be conducted. The mobilization and conduct of social audits is the exclusive domain of the state and district resource people all of whom have been drawn from civil society. Going forward, this could be on model to emulate.

Third, a successful social audit requires timely response and follow up to social audit findings. Here too, the formal audit mechanism can be activated to ensure follow up by incorporating social audit findings in to the formal audit reports tabled to Parliament and state legislatures. There is of course the larger problem of the weak enforcement of audit findings referred to earlier. But should this preclude the incorporation of social audits in to the financial audit system?

Thus far we have examined mechanisms for citizen accountability from the perspective of front line service provision. How can greater citizen accountability be achieved at higher levels of service? We propose two,

related ways in which this might be achieved.


1. *Setting and widely disseminating performance benchmarks
and*
2. *Linking performance with outcomes*

The importance of monitoring outcomes and performance has already been discussed. In this section, we examine some processes by which this can be realized. In 2005, the Government of India took a very crucial step in this direction with the announcement of an 'Outcomes Budget'. While the intention was noble and had much potential, it has thus far failed to have any real systemic impact. How can outcomes budgets be strengthened?

There are two critical elements to a successful 'outcomes budget'. First, it requires the identification of clear, concise and quantifiable outcome indicators. These indicators need to be tangible and realistic. Here the outcomes budget falls short. Indicators are vague—the health ministry describes 'funding of institutions' and 'widening of surveillance mechanisms' as some of its key outcomes- making measurement impossible and irrelevant.

Second, information must be made regularly available to the public. On this count too, the outcomes budget has fallen far short of expectations. The budget itself was launched with much media fanfare but over the years it has simply disappeared from the public radar. There is no evidence of any proactive effort by government agencies to generate and disseminate information on progress.

If implemented properly, efforts like the outcomes budget can go a long way in ensuring that information to the public is both relevant and




reliable. Lessons can be learnt from the experience of NGO's across India that have been experimenting with different ways of strengthening information on public services in India. One interesting effort in this direction is the Annual Survey of Education Report (ASER)- a report card on the status of primary education in rural India, prepared annually by Pratham, an NGO working on education in India.

ASER has successfully identified simple indicators of learning competence- word and number recognition, basic comprehension and basic arithmetic. These are tangible, quantifiable and most important applicable all across the country. This makes cross state comparisons possible. Most importantly, these indicators are extremely realistic and relevant. The indicators are based on a reasonable expectation that a child attending standard 5 can recognize words, do basic math and read a standard 2 textbook.

To ensure that information is widespread, ASER has developed an inbuilt strategy for information dissemination across the country. This includes the preparation of annual regional reports and simple district level report cards. These report cards can be used as a tool to mobilize citizens to advocate for the improvement of the primary schooling system. Initial results from an impact evaluation of this experiment reveal that these district level report cards have generated widespread public interest on the issue of education and discussions on the issue of learning levels have increased dramatically at village level meetings.

Lessons can also be drawn from international experience. In the United States for instance, the White House has developed a program assessment rating tool (PART) that is drawn to conduct objective evaluations of all government programs. Departments are given performance ratings across



key parameters⁹. In 2007, over 1000 programs, amounting to 98 per cent of the federal budget were assessed and ranked. This information is made publicly available through the internet and other media. Over the years, several government departments have responded to these rankings and worked to improve performance.

Box 7: Program Assessment Rating Tool (PART)

The United States Office of Management and Budget (OMB) has developed a tool known as Participatory Assessment Rating Tool (PART) to assess and review US federal government program performance. This assessment helps program managers and other stakeholders in understanding what changes may need to be made to improve performance, and also highlights best practices that can be shared with similar programs.

Designed as a questionnaire, PART looks at critical areas of assessment that affect and reflect program performance. Accordingly, the first set of questions asks whether a program's purpose is clear and whether it is well designed to achieve its objectives, the second involves strategic planning, and weighs whether the agency establishes valid annual and long-term goals for its programs, the third set rates the management of an agency's program, including financial oversight and program improvement efforts, and the fourth focuses on results that programs can report with accuracy and consistency. Data emerging from this process is then used to assess and rate the programs (ranging from "effective" to "ineffective"). Once the assessment is completed, the OMB in collaboration with the Federal agencies develops a program improvement plan based on the assessment. They then track the progress on these plans, so that all assessed programs are held accountable for improving their performance and management.

The type and scope of the follow-up actions in improvement plans vary greatly. In some cases, the recommended actions focus specifically on one or two key areas needing improvement. In other cases, the follow-up actions are much broader. Sometimes, a program assessment finds that a program is duplicative of other, better-run programs or even that the program has already fulfilled its original purpose. In cases such as these, one of the follow-up actions might be to work with the Congress to end, or terminate, the program.

To date, 1015 (about 98% of all) Federal programs have been assessed. Of which 193 have been found Effective, 326 Moderately Effective, 297 Adequate, 26 Ineffective, and 173 Results Not Demonstrated.

⁹ <http://www.whitehouse.gov/omb/part/>

Section 4: Pulling it all together: Concluding remarks

There is little doubt the civil service accountability to the people is both desirable and necessary. Ensuring this accountability is arguably one of the greatest challenges that confront India's civil services. This discussion note has touched upon a few instruments and processes that can create platforms for greater citizen engagement and accountability. In the final analysis, however for accountability to take root, incentives need to be built in to the system. To be sure, greater transparency and resultant public scrutiny do create incentives for better performance. But is this enough? If not, how can accountability to the people be institutionalized? Can measures of performance be incorporated in to the formal appraisal system as one of the benchmarks through which internal bureaucratic performance is assessed? Can promotions and pay increases be linked to these benchmarks? These are some of the key questions that need to be addressed in order that civil service accountability to people is realized.

SUMMARY OF DISCUSSION

TOPIC: PERFORMANCE MANAGEMENT IN GOVERNMENT

The panel discussion on Performance Management in Government was held under the Chairmanship of Shri K. M. Chandrasekhar, Cabinet Secretary. The other Panelists were Shri M.K.Narayanan, Shri C.M.Vasudev, Shri E.Sreedharan, Shri P.C.Haldar and Dr. Prajapati Trivedi.


2. The Cabinet Secretary opened the session by saying that apart from natural resources, human resources play a vital role in sustaining development. The issues relating to leadership, decision-making, motivation, encouraging innovation and risk taking are the natural ingredients of Performance Management. Countries like Japan, Singapore



Panel Discussion in Progress

do not have the natural resources but they are successful countries because of the fact that they have optimised the human resources resulting in qualitative achievements. An integrated and comprehensive Performance Management system would have to incorporate issues like personnel human resource optimisation, system and reform at policy level. Thus, quality of governance is the key to future progress and prosperity.

3. In this session, there was a lively discussion on 'Performance Management.' Salient points which emerged during discussions are summarised below:
 - (i) Degree of accountability and transparency is much greater in government vis-à-vis the private sector. Thus, honesty, fairness and justice are vital. Unlike in the corporate world where profits are the motive and a major indicator of performance, in the Government, emphasis is on the service delivery to the poorest of the poor and realization of social objectives. Inclusiveness, balanced outlook and integrity of mind is the hallmark of Government's performance. Also, there is a need for sensitivity for the people's expectations/ aspirations. Results and means by which targets are achieved is also very important. Public confidence and high ethical level must be integrated with measurable parameters. Perception management is also an important aspect of Performance Management. Qualitative requirements are essential, in comparison to quantitative measurable indicators, due to severe constraints and road-blocks faced in the Government.
 - (ii) There are two aspects of Performance Management - Performance Management of Government programmes and Performance evaluation of individuals. As regards Performance Management of Government



programmes, planning is generally perceived robust but cost of implementation is quite high. Performance Management must touch every layer of Government down to the bottom rung. Performance should be related to the economical, efficient and effective citizen-centric delivery of services. Review of performance needs to be done with domain expertise. We have to be certain that the objectives of the policy should remain at the centre-stage while assessing the performance. Each process needs to be evaluated separately.

- (iii) Monitoring of utilization of funds is an important aspect. Measurement of programme must be preceded by objective budgeting, impartial assessment and users' expectations. Normally, Government programmes are not evaluated by outside agencies. To have a better objectivity, the outcome should be assessed by an independent agency having domain knowledge. In-built incentive is required within the system to complete a scheme on schedule. In order to avoid wasteful expenditure on redundant schemes, there is a need for a sunset clause for Plan schemes. Another aspect of Performance Management is the timely availability of the resources critical for service delivery. Also there should be clear cut delegation of powers, reducing the layers to facilitate decision-making.
- (iv) As regards the Performance evaluation of individuals, there is an urgent need to tackle the aspect of knowledge deficiency in different layers of administration. To address this issue, some mechanism in the shape of examination / interview, after 10-15 years of service need to be developed to assess knowledge update. There is need to dispense with the present grading system. A holistic assessment is required to judge strength, weaknesses and domain competence of the officer for a 360^o evaluation of performance.

(v) In order to have optimal performance there is an urgent need to inculcate a strong value based work culture in organizations. External and internal targets must be set separately so as to adhere to the project schedule. Delhi Metro Rail Corporation (DMRC) introduced a new performance appraisal system which can be replicated in the Government also with suitable adaptations. The system of appraisal of the DMRC is :

- Assessment calibrated over 15 desirable attributes, each carrying 10 points.
- The attributes differ from department to department and level to level.
- The employee is required to do a self-grading.
- Self appraisal is adjudged by the superior.
- A committee of three officers from different departments finally decides actual grading.

(vi) Performance Management should avoid multiplicity of layers and agencies in performance of government. Performance depends 80 per cent on the system and 20 per cent on the people. There is a need to eliminate avoidance of responsibility at various levels and increase in quality of governance. Trickle-down approach should be adopted by using '*performance agreement*'. Performance Management System should include i) Performance Information System ii) Performance Evaluation System iii) Performance Incentive System.

TOPIC: CIVIL SERVICES : ACCOUNTABILITY TO PEOPLE

4. The panel discussion on Civil Services : Accountability to People was held under the Chairmanship of Shri K. M. Chandrasekhar, Cabinet Secretary.

The other Panelists were Shri Wajahat Habibullah, Shri V.N. Dhoot, Shri D.Swarup and Shri G.K. Pillai.

5. The second panel discussion also generated a number of good ideas, some of which are summarised below:



Panel Discussion in Progress

- (i) Once Performance Management System is put into place, we move on to the next logical step, i.e., Accountability and mechanisms to enforce it. There are two key issues in this regard. They are: Accountability- to whom? And Enforceability mechanisms – how?
- (ii) There is a need for focus on the accountability to people, which has been limited in the past. The RTI Act, 2005 is one of the mechanism which would enforce the accountability of the Government to people. It has placed a statutory obligation on all public authorities to make all relevant information available on a regular basis. While emphasizing on proactive

disclosure the role of e-Governance would have to go beyond the delivery of services to areas prescribed by the RTI Act. Public participation in the decision-making process would lead to strengthening of governance in the critical areas which affect the delivery of services to the common man e.g., ration cards, blueline buses, allotment of land etc.

(iii) Following are some of the suggestions for bringing in the transparency and accountability:


- Suo moto disclosures right down to Gram Sabhas through Common Service Centres and widespread use of IT sector/e-Governance tools.
- Free access to information by public to create enabling environment of transparency and accountability.

(iv) Civil Services of India are highly acclaimed abroad. There is a tradition of accountability in the Civil Services, which needs to be nurtured. There should be a fair exchange of personnel between private sector and public services.

(v) The major aspects of accountability are :

- Legal and administrative accountability framework
- Sources of pressure on civil servants
- What are we accountable for?
- What are the issues for discussion?

As regards the legal and administrative accountability, the Constitution of India sets out guiding principles for good governance in terms of “Social and economic justice for all”. Transparency and accountability is crucial for achieving this. There is no reference to accountability in Constitution or law until the enactment of the RTI Act. CCS (Conduct) Rules and AIS (Conduct) Rules give indirect reference to accountability. Citizen's Charters of various departments talks of accountability to citizens.

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- (vi) Again, there are different sources of pressure, with respect to accountability. These are: parliament, judiciary, media, audit and parliamentary scrutiny (parliamentary questions and debates). We are accountable for management of public funds, regulatory aspects (all rules and regulations are to be followed), ensuring propriety (compliance to parliamentary intention), value for money (efficiency, economy and effectiveness), compliance with law, public policy and performance against objectives/targets (this is where the issue of clear cut setting of goals becomes important which is a performance indicator).
- (vii) The issues for consideration are : What are the safeguards to protect civil servants from arising out of bonafide actions and how to make civil servants directly accountable to citizens? Three important aspects of accountability are : Stewardship of public funds, Compliance with rules and regulations, Performance management i.e., achieving the targets. The other important aspect is the personal integrity and reputation - which is painstakingly built by an officer and which precede him wherever he goes. Another area that requires overhauling and simplification is the archaic rules and regulations, e.g., disciplinary proceedings.
6. The Cabinet Secretary summed up the discussions by suggesting that each and every Department, Chief Secretaries, Heads of Services would need to draw a clear road-map for Performance Management and Civil Services Accountability to people. Sometimes, strategies are formulated but their implementation is weak. He emphasised that these two aspects of governance must not remain just sound bytes but vigorously implemented at every level to create a truly competitive and productive work force.

VALEDICTORY SESSION

Address

Shri K.G. Balakrishnan


Chief Justice of India

*L*adies and Gentlemen,

Thank you very much for inviting me to attend this Valedictory Session of the 4th Civil Services Day. The Department of Administrative Reforms and Public Grievances suggested that initiative should be taken to organize this annual Civil Services Day. Members of the All India Services may be working at various places in this vast country and it is likely that one member may not have




Chief Justice of India delivering his talk




any acquaintance with other members working elsewhere. It is a golden opportunity to meet at a common forum to share their thoughts and practices and learn from each other. State service is said to be one of the best contributions made by our colonial rulers. Every year many talented individuals who join the ranks of various civil services are required to work in different parts of the country where they themselves may be unfamiliar with the language and the local customs. However, with their resourcefulness and adaptability, they begin their engagement with governance and developmental activities. Despite so many difficulties, the members of civil services have maintained their high tradition and good standard.

It is through the members of civil services the programmes and policies of the Government are implemented. The development has its own dynamics and problems. India is a developing country. It is the duty of the State under the Constitution to secure to the people of India, living standards ensuring social security through public assistance and labour welfare in accordance with the standards set up by the international conventions. The Preamble to our Constitution envisages goals of social and economic justice and the scheme of the Constitution is enshrined in the concept of social justice. Article 31(1) of the Constitution reads thus: *“The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.”* We contemplate the “Welfare State” to give health and safety and to promote welfare of individuals and families of a community and that is the major concern of the government. Development signifies modernization, industrialization and urbanization. It imports a process of improvement, betterment from the present. These are familiar fields which are known to all of you and, therefore, I do not want to carry coal to New Castle.




Good governance often refers to the task of running the – government in an effective manner. It is qualitatively and conceptually superior to a mere good government. The right to a legitimate and accountable government, promotion of society where the Rule of Law and fundamental human rights are respected, ensuring a socially and economically equitable society that is inclusive in nature are all inherent to the concept of good governance. Good governance depends on various factors. A government, in discharge of its sovereign functions, has to discharge many constitutional obligations and in discharge of these obligations it should be capable of enabling, enhancing and deploying the power of the State for sustainable human development. It is essentially a package to strengthen the institutions of government and civil society with the objective of making governments more accountable, open and transparent as well as democratic and participatory.

For good governance, there should be a government which is stable and truly representative of the majority of the people and which accelerates the economic growth and development and ensures the welfare of all sections of the society. In this, the fact that transparency is also an important attribute of good must not be forgotten. Openness and opportunity for public participation have emerged as a universal principle of good governance. The interested group should be provided with opportunities to observe and contribute in the policy - making of the State where availability of relevant information would give them a change to advance their ideas in the policy - making process. However, at the same time there is always the risk that the special vested interest groups could take advantage of open decision - making process to distort the policy. What is essential is not that everyone shall speak but that everything worth saying shall be effectively said and heard. Common men are not aware of the true facts of many things as their source of information is very limited.



The traditional concept of governance simply implied an exercise of control by a body of persons elected or brought into power by force, to rule and to reign over their subjects in whatever way they liked, in total disregard of their own obligations. However, with the passage of time and consciousness and growth of democratic atmosphere throughout the world, it began to be realized that people are not merely the subjects but they have their legal rights and their sovereigns have corresponding obligations towards them for securing and promoting their welfare, social, economic and political. The perception came to be realized that the people have their own rights, sometimes called as inalienable natural rights, and that they were entitled to be governed consistent with these rights.

Under our Constitution, Part IV gives sufficient indication as to how the good governance shall be maintained by the State. All governments have been given sufficient constitutional backing by these provisions to ensure good governance for the people. Under Article 31-A of the Constitution, the State is given wide powers for acquisition of any rights or taking over of the management of any property for the public interest in order to secure the proper management of the property and such action shall not be void on the ground that is inconsistent with, or takes away or abridges any of the rights conferred to by Article 14 or Article 19. The State can interfere with the private rights under Article 31-A, 31-C clause (a) to (e). Of course, these powers have to be exercised very carefully and under extraordinary circumstances. Under Article 39, the State should direct its policy towards securing that the citizens, men and women equally have the right to tackle means of livelihood and that the ownership and control of the material resources of the community are so distributed as best to sub serve the common good and that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment; that there is equal pay for equal work for both men and



women; that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength. Children are to be given opportunities and facilities to develop in a healthy manner and in condition of freedom and dignity and that the childhood and youth are protected against exploitation. The State shall make provision for securing just and humane conditions of work for maternity relief. The State shall take steps to organize village panchayats. It is the duty of the State to raise level of nutrition and standard of living and the State shall take care of people who are economically backward. The State shall also endeavour to make suitable legislation to provide to all workers living wage, conditions of work ensuring decent standard of life and full enjoyment of leisure and also ensure social and cultural opportunities. By 42nd Amendment, we also added the fundamental duties. These are some of the constitutional provisions, which envisage good governance for India.

With the enactment of the Right to Information (RTI) Act there is already a systemic shift taking place towards more diligence and scrutiny in administrative decision-making processes. We all need to rank accountability as the first principle behind all governmental activities. We need to strive for a high degree of accountability – between the government agencies and citizens, as well as between the various levels in the governmental agencies themselves. Such an objective not only needs strategic but also a cultural change in the way ordinary citizens interact with public officials.

The role of a civil servant is indeed a difficult one – it combines an emphasis on excellence with the objective of equity in delivery of public-services in addition to a high degree of transparency and accountability. The ongoing economic recession has also reminded us of the vital importance of public sector institutions for maintaining the fundamentals of the economy. It is no co-

incidence that our public sector enterprises also play a leading role in vital sectors that shape the financial health of the country as well as the development of its infrastructure.

Lastly I would like to refer to some observations made by Sir John Donaldson¹ where the nature of public administration was described in the following words:

“We have to approach our duties with a proper awareness of the needs of public administration. I cannot catalogue them all but, in the present context, would draw attention to a few which are relevant.

Good public administration is concerned with substance rather than form.

...Good public administration is concerned with the speed of decision, particularly in the financial field.

...Good public administration requires a proper consideration of the public interest...

...Good public administration requires a proper consideration of the legitimate interests of individual citizens, however, rich and powerful they may be and whether they are natural or juridical persons. But in judging the relevance of an interest, however legitimate, regard has to be had to the purpose of the administrative process concerned.

...Lastly, good public administration requires decisiveness and finality, unless there are compelling reasons to the contrary.”

With these words, I would like to thank all of you for being such a patient audience.

¹Excerpts from judgment in *R. v. Monopolies & Mergers Commission, ex p. Argyll Group Plc*, quoted by Mohan, J. in *Tata Cellular Ltd. v. Union of India*, (1994) 6 SC© 651, at Para 87