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The IC Centre for Governance has been set up in with the objective of collective thinking and acting on important issues of governance. It believes that public governance is too serious a matter to be left entirely to the state and that the involvement of the Civil Society is not only desirable but also essential. The Centre seeks to strengthen the capacity of Civil Society and government for ensuring good governance.

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Please address all correspondence to IC Centre for Governance at 3, Palam Marg, 3rd Floor, Vasant Vihar, New Delhi - 110057
e-mail:iccfg@yahoo.co.in

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EDITORIAL

If you are doing something the same way you have been doing it for ten years, the chances are you are doing it wrong.

-Unknown

Every time after a general election, I would hold my breath and wait for the freshly sworn-in Prime Minister to initiate measures for reforming the civil services of the Union and the states; and every time get disappointed. Once when the ruling coalition changed at the Centre, I wrote an insistent letter to the president of the political party heading the new coalition with some suggestions for urgent reforms in bureaucracy. Not an acknowledgement was received.

Though there are umpteen statements of political leaders castigating the officialdom for inefficiency, insensitiveness and corruption, no political leader of any substance has shown the tiniest interest in doing something about reforming the bureaucracy. I have yet to see a manifesto of a major party incorporating civil service reforms or even administrative reforms as a plank of its electoral agenda. The truth is that while civil service is used, abused or misused as a political tool by almost every government since seventies, nobody has bothered to invest in improving its capacity, quality and productivity.

What is even worse, the civil service also does not seem interested in reforming itself. It is collectively interested only in raising the emoluments of its members. From time to time, the associations of different services would do research and submit memoranda on why one service should be paid more than others or why there should be complete parity among various services. Sometimes, bitter internecine bickering among services spills over into print and electronic media as well. In essence, there exists no harmony within the civil service.

Another general election has passed in the unfolding history of Independent India with a clear mandate for the incumbent government. It is a matter of great comfort for the electorate because the government of the day would not start from square one with its

policies. It would continue with whatever it was doing and add new dimensions to its repertoire with a view to establish its credentials.

Therefore, this time it should be different. I think we are fast reaching a point of inflexion in the life of our civil services, particularly the All India Services. Time is running out for the accepted or expected profile of the civil servant; in fact, we don't need officers wearing a tie and moving through files and reports for incremental reforms; instead we wish for tech-savvy women and men, we want simplifiers of processes, we desire proficient code developers for finding easier ways of accessing public services, we covet highly skilled functionaries focused on getting things done. We crave for innovators and lateral thinkers.

In my view, how to get and sustain such people should be the objective of the civil service reform design. Traditional deductive thinking and training is not likely to bring about the new generation of civil service needed for the present century. The government will have to develop a new design of an exceptionally skilled civil service which would primarily think of serving the citizen.

The civil servant of the future will face challenges much greater and qualitatively different than those of their predecessors like me. The new reform programme should equip them with practical tools, such as flexible and cost-effective IT systems and modern workplaces. In fact, a capabilities matrix needs to be carefully prepared to identify what skills are presently in deficit in our civil servants and to evolve ways of filling the gaps. Besides, new competency framework ought to be developed and it should be ensured that every civil servant is measured against stipulated benchmarks.

Another important requirement of a performing bureaucracy is that where civil servants excel, they must be recognized for their achievements. There seems to be a common feeling among the senior officers that it is no use going out of their way to do something extraordinary because it would bring no rewards, and may be misunderstood and draw penalties. The annual Prime Minister's excellence awards are a small step in the right direction, but similar recognition at state and departmental levels should also be contemplated.

If, however, the civil servants fail to reach the standards, they should be given an opportunity and focused training to improve their performance, failing which they should be weeded out. Continuous improvement should be a mantra from recruitment to retirement. The civil servant of the future will never stop learning and will be afforded the best training and support available. A cross-cultural exchange programme should be built to demolish the barriers between public and private sectors as well as civil society.

It is a golden opportunity of calibrating the All India Services to develop into a virtual repository of information and expertise on running the government and a vehicle of coordinating the field services of different sections of the community to implement state policies. Such an exercise has never been undertaken earlier by any government in the past. Today we have a Prime Minister who brings development ideas out of the proverbial box. Who besides Shri Narendra Modi could think of veritable game changers like ‘Mudra’ ‘Swachh Bharat’, ‘Ujjwala’ and ‘Nal se Jal’. Practically in every ministry there are innovative policy directions emanating from the top.

In the recent past there has been much talk about the government destroying institutions and their independence. This includes the bureaucracy besides the Election Commission and the Reserve Bank. The abrupt changes in the higher echelons of civil service and the ugly spat between two top honchos of CBI are indicated in this regard. My purpose here is not to examine whether the executive institutions are being systematically corrupted or damaged by the government of the day or not. I will not get involved in the argument of similar happenings in the earlier governments because that is frivolous. The assumption that there is black versus white in these matters is devious. We have to operate in the grey areas most of the time.

It is my hypothesis that the government should try to create an atmosphere of trust between the political executive and the permanent civil service by building bridges of compatibility in nation building. A decision can be taken either by giving a draft of policy note to be blindly signed and executed by the civil servant or by convincing him of the merits of the proposal. The short point is that things should not be done by spreading fear and awe

of the political bosses. There seems to be a feeling in a section of senior bureaucrats of having become redundant in matters of policy formulation. A secretary level officer expressed his anguish by saying that draft cabinet notes are being received in the department to be placed before the Cabinet after a routine checking of facts and figures. Another officer was blissfully contented that he did not have to take the trouble of thinking.

It should also not be forgotten that good politics is essential for good governance. I remember Somnath Chatterjee, then Speaker of the Lok Sabha saying in a national convention that good governance cannot be conceived without good politics. The subset cannot push the larger set of which the subset is a part.

Successful reforms require a combination of political commitment, technical capacity and gradual implementation aided by high dedication of the civil servants. The commitment of the civil servants is essential for introducing any change in the civil service. The leadership of change is, therefore, responsible for developing this dedication with repeated public announcements of respect and admiration for them.

For the Prime Minister to be the harbinger of the New Resurgent India, he will have to invest deeply in structural reforms in government of which strengthening bureaucratic capacity is an integral factor. Capacity building of the bureaucracy should not be confined to the policy making levels but should also extend to the implementation levels in the states. Francis Fukuyama considers the management of administration to be one of the three most important elements of state building. It has direct correlation with the strength of the State. In his book 'How China Escaped the Poverty Trap', Yuen Yuen Ang says that as the Chinese economy grew, the Chinese bureaucracy became more sophisticated with strong internal performance incentives. The first indication of bureaucratic reforms initiated by Modi government in its first tenure was the induction of nine joint secretaries in Central ministries from outside the government system. Whether this feeble initiative at lateral entry will make an impact in policy making is yet to be seen.

What is perhaps needed at the highest level is clear outlining a well thought out agenda of better governance based on the principle of ‘maximum governance’ with provision of operational space to the civil servants. Such autonomy at the federal and constituent levels is necessary because of regional uniqueness. The lower structures should be allowed to innovate and experiment for bringing out ‘best practices’ which may then be considered for replication in other areas.

I hope we realize a fully reformed civil service during Modi 2.0.

Prabhat Kumar

India's Economic Health: Major Issues

Introduction

The objective of this article is to assess India's economic health, using selected parameters, and to present ideas on what India needs to do to achieve high GDP growth which is inclusive and is consistent with a sustainable balance of payments situation.

The plan of the article is as follows. Section 2 reviews the recent GDP data. Section 3 reviews the issue of employment and self-employment opportunities that the recent GDP growth has created. Section 4 takes a careful look at India's public finances, with Section 5 reviewing the country's balance of payments situation. Finally, Section 6 presents some concluding remarks.

GDP Growth

According to the Central Statistical Office's revised estimates of GDP growth, India's economy expanded at a much faster rate than initially estimated. But are these data credible? Take, for instance, the issue of GDP growth of as much as 8.2% (against 7.1% reported earlier) during 2016–17, the year of demonetisation. This doesn't sound credible. Demonetisation was a very disruptive experiment, involving a huge cost.ⁱ One therefore is at a loss to understand how the economy could grow at such a high rate during 2016-17.

As many as 108 economists and social scientists have published an article on this and related issues (see Azad and others 2019).

i Proper implementation of the Government of India's Outcome Budget would have been much more effective in achieving demonetisation's intended objectives. See Gupta (2016).

Raghuram Rajan, former Governor, Reserve Bank of India, and currently Katherine Dusak Miller Distinguished Service Professor of Finance at the University of Chicago's Booth School of Business, has also raised doubts about India's GDP numbers and has "called for an impartial body to look into the numbers to restore confidence" (see *The Times of India* 2019a, p.1).

Arvind Subramanian, former Chief Economic Adviser, Government of India, and now a Non-resident Senior Fellow at Harvard University, has claimed in a Working Paper that "that India's GDP growth has been over-stated by about 2 ½ percentage points per year in the post-2011 period....That is, instead of the reported average growth of 6.9 percent between 2011 and 2016, actual growth was more likely to have been between 3 ½ and 5 ½ percent. Cumulatively, over five years, the level of GDP might have been overstated by about 9-21 percent...the heady narrative of a guns-blazing India must cede to a more realistic one of an economy growing solidly but not spectacularly....The Indian policy automobile has been navigated with a faulty or even broken speedometer...if statistics are potentially misleading about the overall health of the economy, they influence the impetus for reform in serious and perverse ways. For example, if India's GDP growth had been appropriately measured, the urgency to act on the banking system challenges or agriculture or unemployment could have been very different. It is understandable when policy makers favour the status quo if that status quo is apparently delivering the fastest growth rate of any major economy in the world. But if growth is actually 4.5 percent instead of 7 percent, attitudes to policy action should and would be very different....India must restore the reputational damage suffered to data generation in India across the board— from GDP to employment to government accounts—not just by conferring statutory independence on the National Statistical Commission, but also appointing people with stellar technical and personal reputations. At the same time, the entire methodology and implementation for GDP estimation must be revisited by an independent task force, comprising both national and international experts, with impeccable technical credentials and demonstrable stature. And it must include not just statisticians but

also macro-economists and policy practitioners....If statistics are sacred enough to require insulation from political pressures, they are perhaps also too important to be left to the statisticians alone. Nothing less than the future of the Indian economy and the lives of 1.4 billion citizens rides on getting numbers and measurement right” (Subramanian 2019, pp. 5, 27 and 28).

The Economic Times has, in an editorial, commented that “India’s statistical system does call for a thorough institutional revamp, with access to expertise and oversight of leading practitioners, to shed any shadow over its credibility” (The Economic Times 2019b, p. 16).

The Economic Advisory Council to the Prime Minister of India (EACPMI) has commented on Arvind Subramanian’s Working Paper. The EACPMI has rejected Subramanian’s “methodology, arguments and conclusions” (Economic Advisory Council to the Prime Minister 2019, p. 3).

Does this necessarily mean that India’s GDP numbers are credible? What about the GDP figure of 8.2% for 2016-17, the year of India’s demonetisation experiment which caused massive economic disruption all over the country? The EACPMI has not addressed this issue – it would have been nice if it had.

But let’s move beyond the issue of credibility of the GDP data. India may not be growing at 8%, but India is certainly growing at a rate which is faster than the rate for the rest of the world. But let’s not be carried away. As Manish Sabharwal recently put it, “It surely wasn’t God’s will that it should take 72 years for 1.3 billion Indians to cross the GDP of 66 million Britishers” (Sabharwal 2019, p. 14). Our per capita income is still very low. And there are questions about how inclusive our GDP growth has been. We, thus, have a lot of catch-up to do.

The Employment Picture

Let me look at the following three sets of data to get an idea of what’s happening on the employment front: the Government of India data, the Centre for Monitoring Indian Economy data, and the Confederation of Indian Industry data.

The Government of India Data

Following the recommendations of the Task Force on Improving Employment Data, the National Sample Survey Office (NSSO) initiated the Periodic Labour Force Survey (PLFS). There was some problem because of which the results from the PLFS were not released by the Government of India on time. But the leaked PLFS results show that unemployment in India during the period July 2017-June 2018, at 6.1%, was at a 45-year high. According to Krishnamurthy Subramanian, Chief Economic Adviser, Government of India, this happened because of the PLFS placing a substantially higher (75%) weight on individuals with higher unemployment rates and a much lower (25%) weight on individuals with lower unemployment rates. This is how he has put it: “So, when the PLFS places 25 per cent weightage on individuals where unemployment rate is below 4.2 per cent and places 75 per cent weightage on individuals where unemployment rate ranges from 7.4 per cent to 16.3 per cent, it is only logical that the unemployment rate obtained in the PLFS would be higher. Clearly, it is erroneous to use this statistic to claim that the unemployment rate has increased” (Subramanian 2019).

And Surjit Bhalla, until recently a member of the Economic Advisory Council to the Prime Minister of India, believes that “the PLFS 2017-18 survey is a huge statistical embarrassment and someone should inquire as to how it passed all the statistical checks and balances of the experts. My best “recovery” of what happened — the expert masters felt that the radical change in sampling method would not make much difference to the results....The PLFS results can be described in two words — shockingly untrue. The statistical masters who passed the PLFS data report with a “good house-keeping seal” should hang their heads in statistical shame” (Bhalla 2019).

The Government of India has now released the report on the PLFS 2017-18 (see The Times of India 2019d, p. 1.) But I am wondering why the Government delayed so much the release of this report.

The Centre for Monitoring Indian Economy Data

The Centre for Monitoring Indian Economy (CMIE) conducts a household survey, called Consumer Pyramids Household Survey, to measure unemployment in India. The Survey covers 172,365 households (110,279 urban households and 62,086 rural households). Of these households, 1,500 households are surveyed every day, 10,500 households surveyed every week, and 43,000 households surveyed every month. Three waves of surveys are conducted every year: January-April, May-August and September-December. Based on the data collected through these surveys, CMIE releases 30-day moving average of unemployment rate every day, as also weekly, monthly and quarterly estimates of employment.ⁱⁱ

According to the CMIE, India's unemployment rate in April 2019 rose to 7.6% against 6.7% in March 2019. "The lower unemployment rate in March was a blip, and it has again climbed following the trend of earlier months, Mahesh Vyas, head of CMIE, said" (The Times of India 2019b).

It's not just the high rate of unemployment which itself is a matter of serious concern. According to Mahesh Vyas, "a bigger loss on the jobs front is the loss of quality jobs...it is easy to notice the proliferation of tea and tobacco stalls, delivery boys, handymen, taxi drivers and the like...Jobs are growing faster at the lower end of the education spectrum and not as much at the higher end" (Vyas 2019).

The Confederation of Indian Industry Data

The Confederation of Indian Industry (CII) conducted a sample survey on jobs created in India's micro, small and medium enterprises during 2014-15, 2015-16, 2016-17 and 2017-18, with the assistance of survey partner Marketing & Development Research Associates. The survey, which covered 1,05,347 enterprises of varying sizes, across sectors and geographies, was conducted over a three-week period during February 2019.

ii For further details on the CMIE's Consumer Pyramids Household Survey, see Vyas (2018)

The survey found that 332,394 new jobs were created by these 105,347 enterprises, as a result of which their employment base grew from 23,91,324 at the beginning of 2014-15 to 27,23,718 at the end of 2017-18. This works out to a growth of 13.9% in net jobs created over four years, or a compounded annual growth of 3.3%. The CII claims that, given the total labour force of 450 million in India, “the overall job additions work out 13.5-14.9 million per annum” (Confederation of Indian Industry 2019, p. 9).

The four years covered by the survey include the demonetisation year of 2016-17. What’s the impact that demonetisation had on employment in the MSME sector? This is an extremely important question, but the CII doesn’t deal with it. My assessment is that, given what the CII has reported, CII is implying that demonetisation had no adverse impact on employment. Indeed, one gets a feeling that the CII’s survey is a beautiful example of crony capitalism.

Based on the CII data, the elasticity of employment to GDP growth works out to roughly 0.4. This is substantially higher than what it likely is and therefore makes one question the credibility of the CII’s exercise.

Five things emerge from a careful review of the above sets of data and other materials available on the employment situation in India. First, the current unemployment rate in India is high, with the incidence of unemployment being much higher among graduates and post-graduates. This is a matter of serious concern.

Second, the elasticity of employment to growth is declining. This is how the Centre for Sustainable Employment at Azim Premji University has described the situation: “Even as GDP growth rates have risen, the relationship between growth and employment generation has become weaker over time. In the 1970s and 1980s, when GDP growth was around 3-4 per cent, employment growth was around 2 per cent per annum. Since the 1990s, and particularly in the 2000s, GDP growth has accelerated to 7 per cent but employment growth has slowed to 1 per cent or even less. The ratio of employment growth to GDP growth is now less than 0.1” (Centre for Sustainable Employment 2018, p. 17).

Why has the elasticity of employment to GDP growth declined so sharply? I did some work in this area a long time ago and this is what I wrote, then: “A striking feature of the trends in tax incidence and labour intensity is that while the average labour intensity of the private corporate sector in India has declined, industries with labour intensity lower than the average for all industries have enjoyed considerably larger relief in tax incidence than industries with labour intensity higher than the average for all industries. Total reduction in tax incidence of industries with lower-than-average labour intensity (e.g., aluminium, cement, and electricity generation and supply) works out to 3.59 times the reduction in tax incidence relevant to industries with higher-than-average labour intensity (e.g., coal mining, cotton textiles, and jute textiles). Clearly, the way corporation tax policy has operated in India, it has tended to induce distortions which have favoured the employment of capital, with the result that the labour intensity of industrial output has suffered a decline” (Gupta 1977, p. 97).

There is reason to believe that the corporation tax policy continues to induce distortions which favour the employment of capital. Prafull Anubhai Shah, who is based in Ahmedabad and has a very good understanding of the Indian textile sector, says that “the government fiscal policy is biased in favour of capital intensity. I know from personal knowledge that many technologies which were simply labour displacement technologies were made more attractive because of capital and interest subsidies” (Shah 2019).

Our labour laws and technological innovations (e.g., robots) have also contributed to the decline in the elasticity of employment to GDP growth.

Third, female labour force participation rate has substantially declined.

Four, obsession with government jobs – it's visible. Raghu Dayal has illustrated this obsession in a recent article. Look at what he says: “Clamour for sarkari naukri in states or at the Centre is well gauged by the incredible number of aspirants. For example, for 62,900 lowest level I vacancies in railways recently advertised, as many as 1.9 crore candidates applied, including many post

graduates, engineers, even some PhDs. Likewise 47.5 lakh applicants registered to compete for 26,500 posts of assistant engine drivers and technicians....A disproportionately liberal remuneration package for lower bureaucracy has triggered ceaseless demand from Marathas in Maharashtra, Patidars in Gujarat, Kapus in Andhra Pradesh, Jats in Haryana, Gujjars in Rajasthan for quotas and reservations in government jobs” (Dayal 2019).

Finally, no problem of jobs for graduates from institutions like IIMs and IITs.

Public Finances

India’s public finances are in a bad shape. There are four reasons for this. To begin with, India’s tax-GDP ratio is very low – about 18%. It’s too inadequate for India’s needs. It needs to go up by at least five percentage points. But look at what the Finance Minister has done. This is what he said on February 1, 2019 while presenting the Government of India’s 2019-20 budget:

“Because of major tax reforms undertaken by us during the last four and half years, both tax collections as well as the tax base have shown significant increase and we have made progress towards achieving a moderate taxation– high compliance regime. It is, therefore, just and fair that some benefits from the tax reforms must also be passed on to the middle class taxpayers. Keeping this in view, I propose to further reduce the tax burden on such taxpayers. I propose the following: Individual taxpayers having taxable annual income up to Rs. 5 lakhs will get full tax rebate and therefore will not be required to pay any income tax” (Government of India 2019, p. 21).

In my view, the Finance Minister shouldn’t have done this, given the challenge of mobilising huge resources that the Government of India faces.

Second, there are serious issues relating to the allocation of public money. Our policymakers don’t seem to be clear about what public money should be spent on. Public money is supposed to be spent for (a) the provision of public goods or goods with positive externalities, that is, goods and services which the private sector will not provide (examples: national defence, control of pollution and

elimination of open defecation), and (b) the provision of private goods and services to certain people on equity grounds (example: employment under MGNREGA).

But is public money being allocated along these lines? Look at, for example, what the Finance Minister said while presenting the Government of India's 2019-20 budget on February 1, 2019: "To provide an assured income support to the small and marginal farmers, our Government is launching a historic programme namely Pradhan Mantri KISan SAMman Nidhi (PM-KISAN). Under this programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal instalments of Rs. 2,000 each. This programme will be funded by Government of India. Around 12 crore small and marginal farmer families are expected to benefit from this. The programme would be made effective from 1st December 2018 and the first instalment for the period upto 31st March 2019 would be paid during this year itself. This programme will entail an annual expenditure of Rs. 75,000 crore.

PM-KISAN would not only provide assured supplemental income to the most vulnerable farmer families, but would also meet their emergent needs especially before the harvest season. PM-KISAN would pave the way for the farmers to earn and live a respectable living.

I propose an outlay of Rs. 75,000 crore for PM-KISAN for the FY 2019-20. I am also providing Rs. 20,000 crore in the Revised Estimates of FY 2018-19" (Government of India 2019, pp. 6-7).

Four months later, the Government of India extended PM-KISAN to all farmers, removing the limit of two hectares. The PM-KISAN is now meant to benefit all the 14.5 crore farmers across the country (see *The Times of India* 2019c, p. 1).

Does PM-KISAN qualify for allocation of public money?

As I look at things, PM-KISAN does not qualify for allocation of public money. We must help our farmers, but there are much better ways of doing so.

One can argue that if PM-KISAN doesn't qualify for allocation of public money, what about former Chief Economic Adviser Arvind Subramanian's idea of Universal Basic Income,ⁱⁱⁱ the Government of Orissa's KALIA (Krushak Assistance for Livelihood and Income Augmentation)^{iv}, and the Government of Telangana's Rythu Bandhu?^v

My response to this issue is very simple: these ideas/interventions don't qualify for allocation of public money. We have a huge deficit in the delivery of public goods. Look, for example, at the issue of social security for those who are old and abandoned by their families – MGNREGA is of no use to them. Look at shelter homes for poor girls – they need to be managed much better.^{vi} Further, there is a strong case for spending huge amounts of public money for nurturing, what Raghuram Rajan calls, “the broadly equitable distribution of economic capabilities among our people” (Rajan 2015, pp. 8-9).

Third, allocations do not necessarily deliver the intended outcomes. The people are concerned with outcomes. Which means that the allocated public money must be spent efficiently and effectively. But this is not happening in many cases. How bad the delivery of the intended outcomes is, can be gauged from a case study of the Government of India's Accelerated Power Development and Reforms Programme.^{vii}

iii For an excellent discussion on Universal Basic Income, see Government of India (2017), pp. 172-212.

iv Details of the Government of Orissa's KALIA (Krushak Assistance for Livelihood and Income Augmentation) are available at: <https://www.objectiveias.in/various-welfare-schemes-of-government-of-odisha/>

v Details of the Government of Telangana's Rythu Bandhu are available at: rythubandhu.telangana.gov.in/

vi Two additional examples illustrate the huge deficit in the delivery of public goods, with the first relating to the public health crisis in Muzaffarpur and the second relating to the delivery of justice in India. For details, see The Times of India (2019e), p. 16 and The Times of India (2019f), p. 1

vii The case study has appeared in Gupta (2010), pp. 568-571. It focuses on the Accelerated Power Development and Reforms Programme's Outcome Budget for 2006-07. For more recent evidence on the delivery of the intended outcomes, see Gupta (2017) and The Economic Times (2019a), p. 14.

This **MUST** change. Public money must be used in a manner that it delivers the intended outcomes. Gupta (2015) articulates how this can be done.

Finally, public enterprises have become a major burden on India's public finances. Look at the State power distribution companies.^{viii} Look at the public sector banks.^{ix} There is a very strong case for privatising a large number of our public enterprises. Some people say that if a public enterprise is making profits, it should not be privatised. In my view, that's not correct.

A public enterprise must have huge positive externalities associated with it. If one takes a careful look at the long list of Central and State public enterprises and honestly figure out the positive externalities associated with each of them, one will easily identify many public enterprises (e.g., Air India, Ashoka Hotel, Scooters India, Rashtriya Chemicals and Fertilizers, and Steel Authority of India) which can be privatised.

Of course, there are some political economy issues associated with privatisation of public enterprises.^x It's not just politicians who oppose privatisation of public enterprises, other people, including employees in the concerned administrative ministries/departments, also do so. But this is something that can be managed.

Balance of Payments

Our balance of payments situation today is much, much better than what it was in the summer of 1991. But we still have miles to

viii For a discussion on the finances of State power distribution companies, see Gupta (2017).

ix The public sector banks (PSBs) have piled up huge non-performing assets (NPAs). Available data suggest that these NPAs add up to about Rs. 10 lakh crore. But there is reason to believe that they are higher. This is because the PSB managements have a self-interest in not disclosing the truth about their NPAs. The Government of India which owns these banks also has a self-interest in not disclosing the truth. The haircut involved in cleaning the PSBs' NPAs may add up to a huge sum. How should this be financed and what must be done to ensure that the Government of India doesn't have to deal with such a mess in future? These are extremely important issues which urgently need to be addressed.

x For a discussion on why politicians in India behave the way they do when it comes to dealing with the issue of privatisation of public enterprises, see Gupta (1996).

go. It's true that our foreign exchange reserves now are over \$400 billion, but we haven't built them through current account surpluses. We have built these reserves out of capital inflows through foreign direct investment, foreign portfolio investment, non-resident Indians' deposits, external commercial borrowings and so on. Our current external debt amounts to over \$500 billion^{xi} and we still have current account deficits.

We need to serve the external debt that we have piled up. We also need to serve the portfolio of foreign direct investment that we have built up, through remittance of dividends and of the principal value in case a foreign investor exits India.

The need to finance our current account deficits through foreign capital inflows has resulted in a pressure on our policymakers to not allow the Indian Rupee to depreciate beyond a point, in order to sustain these inflows. This has impacted negatively on our exports. I believe the time has come to mull over the idea of reducing our current account deficit to zero and then aim to have a surplus. This will obviate the necessity of our incentivizing capital inflows through foreign direct investment, foreign portfolio investment, non-resident Indians' deposits, external commercial borrowings and so on, so that we may be able to comfortably finance our current account deficits.

I believe this is doable. Take, for example, our exports. We exported \$331 billion worth of merchandise in 2018-19, against \$303.5 billion in 2017-18, \$275.8 billion in 2016-17, \$262.3 billion in 2015-16, \$310.3 billion in 2014-15, \$314.4 billion in 2013-14, \$300.4 billion in 2012-13 and \$306 billion in 2011-12. These data show that in absolute terms, our 2018-19 exports are the highest. But what about our exports in relative terms? As a percentage of our GDP, our exports have sharply declined from 16.96% in 2013-14 to 12.15% in 2018-19.

Why is this so? One can attribute this decline to the global

^{xi} At end-December 2018, India's external debt was placed at US\$ 521.2 billion. <https://dea.gov.in/sites/default/files/India%27s%20External%20Debt%20as%20at%20the%20end%20December%202018.pdf> (Accessed May 15, 2019.)

export slowdown as well as growing protectionism across the world, especially in the United States. But given that the total world exports still add up to a huge figure -- about \$16 trillion – and India currently accounts for a share of a mere 1.7% in world exports, there is a huge potential that India can exploit to promote its exports.

According to Kaushik Basu, a former Chief Economic Adviser to the Government of India and currently C. Marks Professor of International Studies and Professor of Economics at Cornell University, “One sector where India has a natural advantage is trade. With China’s wages rising, we should have been able to expand exports hugely. This would have created jobs and had positive spillover on the agriculture sector. But export growth does not happen simply by virtue of having cheap labour. It requires a slew of well-designed policies. Among other things, it requires management of the exchange rate.

India, like all market economies, is committed to a floating exchange rate system. But floating does not mean zero intervention. All countries, including the US, occasionally use banks to buy and sell currency on behalf of the central bank to influence the exchange rate, and thereby, trade. This is however a complex matter. Should the intervention be lump sum or exchange-rate sensitive? Should it be one-time or in small batches? There is a lot of research on this, which ought to be put to use” (Basu 2019, p. 16).

I agree.

Concluding Remarks

The foregoing discussion gives a good idea of how India’s economic health is and what needs to be done to ensure that India does much better.

In order that India does much better, we need to ensure that our policymakers’ self-interests are aligned with India’s self-interests. This is a MUST, given serious distortions in policymaking involving allocation of public money, with such policymaking largely driven by vote-bank considerations. Is this doable? I believe it is.

Another thing that needs to be done is to substantially improve

the management of our policies and programmes, to ensure that they are implemented efficiently and deliver their intended outcomes. This is a governance issue and as Prabhat Kumar, a highly respected IAS (retired) official and a former Cabinet Secretary to the Government of India, says “ethics is the key to effective governance” (Kumar 2014). More recently, delivering the 25th Lovraj Kumar Memorial Lecture on November 22, 2018, this is what he said: “Ethics of governance is qualitatively different from Ethics in Governance....In my view, EOG is much wider and deeper than EIG. It accommodates EIG and goes further. In fact, it continues even after EIG ends. Unlike EIG, EOG does not have a boundary....Ethics of governance, in its widest connotation, includes the selfless exercise of the position, and the authority, power and influence that go with it, in the service of the people beyond the boundaries of one’s job” (Kumar 2018, pp. 13-14).

The bottom line is that it’s the ethics of governance which India urgently needs to ensure that our public policies and programmes are implemented efficiently and deliver their intended outcomes.

Is this likely to happen? I believe this will happen, but much depends on how long it takes for the alignment of the policymakers’ self-interests with India’s self-interests. Once the alignment between these two different sets of self-interests takes place, we can expect a lot to happen on the front of ethics of governance.

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Constitution - Guide for Good Governance

The expression 'governance' has been popularized by the World Bank, even though it was mentioned in the Constitution in Article 37. It includes not only 'processes' of governance but also the 'institutions' of governance. Whereas the government refers to the institution as such, governance intimates the quality of its functioning. The word 'government' includes only the machinery and is too crude to capture its functions. The word 'governance' is loaded with various hues that define aspects of its functioning. It goes beyond the input-output paradigm and stresses upon outcomes that are more useful than the figures of investments. It lays more stress upon actual achievements that have a bearing upon the welfare of people in various aspects. The various attributes of good governance are participation of people, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, and accountability. All these are good expressions that belong to the realm of 'good' and 'should' parameters. These are to be internalized by government's various agencies; but does it happen? There is, therefore, need for concretization of the attributes so that they do not remain phony and sweet expression but are made to deliver. The quest is for finding standards that must inform the act of governance. One such tool is the Constitution of India that prescribes in clear terms what is expected of the government.

Since the Constitution has been there since 1950, it remained a document only to be used by higher courts to adjudicate on disputes or interpret the various provisions brought before it by the petitioner. Its use is demand-oriented. It has been used in the process of deciding cases and clarifying law. This has been no mean contribution. New rights have been created and issues on the margins of ambiguity

have been held at rest by a clear interpretation of its provisions based upon rationality. However, it has never been accepted and used as an operational document that provides constant guide to issues of governance. It has never been realized that it contained a treasure of guidelines that are germane to the day-to-day governance. The treasure is both open and hidden. It is open when it is referred to for establishing a right or seeking clarity. It is hidden as the same principles are necessary to be followed for delivery of services by the government machinery. Thus the document remained remote from common usage and kept on a holy pedestal to be only the concern of judicial priests who would recite it, refer to it, and seek guidance.

A deeper look at the document reveals that all which is necessary for good governance is contained in it – the vision, the practices, the tools, the method of performance, the measure of outcomes, and the duties articulated therein. Therefore, rather than invent the hues of good governance and run about to find out here and there it is better to follow the template of the Constitution, delve deep into its framework and determine what is to be done.

The vision

The vision of good governance is contained in the preamble to the Constitution. It gives directions and suggests methods. It refers to values of justice, liberty, equality, freedoms, promotion of fraternity assuring the dignity of the individual, and unity and integrity of the country. Nothing could be more articulate s goals than contained in the preamble. These are loaded expressions having deep meaning and have to be internalized for achieving the goal of good governance. The preamble thus reflects the vision, the goals, the mission, objectives, and aims of governance. It contains the basic structure of the Constitution that cannot be amended by the legislature. Moreover, there is nothing to amend as these are all desirable items to be aimed at. It is supreme and provides for republican, democratic form of government that is secular in character and follows the principle of separation of power so that one wing of the government does not become all powerful to intimidate the others and establish hegemony which could lead to totalitarian ends. Therefore, preamble is both a means and an end.

The vision is thus the establishment of a republic (the center has to be aware of it) that is socialist, secular, and democratic. The ideals of socialism are contained in the Directive Principles of State Policy (DPOSP) that ‘strive to promote the welfare of people’, establishment of ‘a social order in which justice, social, economic, and political, shall inform all the institutions of the national life’; ‘strive to minimize inequalities in income’ among individuals, groups residing in different areas and engaged in different vocations (Article 38). And then there are articles that provide principles of policy for securing ‘right to adequate means of livelihood’, ownership and control of resources for common good, prevent concentration of wealth and means of production, legal aid ‘to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities’, humane conditions of work and maternity relief, living wage, improvement of public health, protection of environment, and a few more. What more can one demand for a practical vision? The Constitution provides it all, and gives a clear direction in Article 37 that ‘the principles laid down are nevertheless fundamental in the governance of the country and it shall be duty of the State to apply these principles in making laws’. (Emphasis added)

The least known and never bothered aspect of directive principles is Article 51 that proposes for promotion of international peace and security, especially the aspects of maintaining honorable relations between nations. The framers had realized the need for such a direction in the aftermath of devastation of the Second World War that had just preceded the framing of the constitution. The relations with neighbors are very important for diminishing risks of aggression from outside and thus limiting expense on preparation. The money spent on defense can be used to develop human opportunities and for betterment of people. Linked to this is the need to implement various international conventions like one on torture. The parliament has power to do so as per Article 253.

The tools

The words contained in the preamble are not empty expressions bereft of concreteness and action, but have the force and backing of further articulation in the form of fundamental rights that are

to be actualized by all wings of government. The legislature has been enacting various laws that fulfill the mandate of the rights. The executive is expected to put these into use to protect rights of people. However, there are four checks on the power of executive. (1) Art 15 states that State shall not discriminate against any person on grounds of religion, race, caste, sex, or place of birth. (2) Art 20 puts restriction on the executive that shall not invoke a later law to punish a former act; against double jeopardy; and prevention of threat, torture, promise, or inducement to elicit information. (3) No person can be deprived of his life or liberty in an arbitrary manner (Art 21). It has to be through a procedure established by laws that cannot be anything legislated but must conform to principles of being just, reasonable and fair. (4) Art 22 is also couched in a negative expression and gives a clear direction stating that “No person who is arrested shall be detained in custody without being informed, as soon as may be, of the grounds for such arrest nor shall he be denied the right to consult, and be defended by, a legal practitioner of his choice”.

These as well as the positive rights that are designed to secure justice, equality, freedoms, and education are solid tools that have been extensively used by the judiciary in adjudicating cases. So there is no need to invent new tools. The ones in the Constitution are robust, solid and meaningful. The only requirement is to be conscious of their existence beyond the sphere of the judiciary. The executive has to be conscious of their existence and act accordingly while deciding priorities.

The fundamental duties are also in the form of tools as every citizen, including the three wings of government are required to abide by. It is the duty of every citizen to abide by the Constitution, and therefore, all that is contained therein is the domain of all to work. It is the duty of government, besides protection of unity and integrity of the country, to ‘promote the spirit of harmony and the spirit of common brotherhood’, denounce practices derogatory to the dignity of women, preserve the heritage, protect natural environment, promote ‘scientific temper, humanism and spirit of enquiry and reform’, and ‘constantly rise to higher levels of endeavor and achievement’. Fundamental duties inculcate discipline

of governance and training of people in constitutional culture.

Thus all that is required for good governance is articulated in the Constitution. The various wings of the government have to look within and assess whether they are performing in accordance with the stipulations of the constitution. If not, they have to girdle up their loins and strive for targets that are clearly laid down and from which there is no escape.

Constitution is thus both a vision and an activity. It is a vision that pushes the activity. Divorced from activity, the Constitution would be just an empty rhetoric. In other words, it is neither myth nor ideas but real aspirations that are achievable. Thus government is not only an action of governing, but is a loaded expression that includes good, fair, reasonable, and just. The objectives are contained within the various articles that are required to be worked in depth and their spirit actualized in all respects.

Guiding principles

In view of the above, the administration is to be guided by a set of principles and strategies that can achieve the objectives referred in the document.

Gandhi's talisman

It is worth repeating Gandhi who was clear about the concerns of the common man. He had said, "I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest of the poor and the weakest man whom you may have seen, and ask yourself if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his life and destiny? In other words, will it lead to swaraj for the hungry and spiritually starving millions?" In the modern mode of expression the relevant symbol would be #TheyToo or #All People Matter. It is not only the my-ness of the legislator and the administrator who are concerned with their salary, perks, privileges, dearness allowances, and other benefits, but it is their duty to examine whether they deserve it more than others.

The talisman is another aspect of showing compassion, care, and concern for the dispossessed for various reasons and speaks of developing a discourse of brotherhood and fraternity where all those who can afford care for all. This is an aspect of empathy where one puts in shoes of others and says “I can be that” or “If I were that” or simply “I am that”. Such an exercise is necessary for those who have the capacity or position or means to bring about change.

Negation of negatives

The negation of the positives concretizes the concept of the positive. The positives are deduced from the negatives and made more real. In the context of the Constitution, there are both negative rights and positive rights. The negative rights are contained in articles 15, 20, 21, and 22. There are prohibitions under articles 23 regarding traffic in human beings, begar, and forced labor; 24 against employment of children below fourteen years in factory or mine or in hazardous employment. Others are positive rights pertaining to. Since these are serious matters, these are put across in negatives.

Why are negatives used? It is because negatives are more powerful to convey the intention and determination. In the modern medium, it is “no means No”. There is no need for further interpretation. Moreover, disease, illiteracy, delay, insult or indignity are more tangible than their positives like health and well being, or universal education, or dignity. The negatives are visible and demand urgent attention. The task of governance, therefore, is to strictly enforce negative rights and protect the positive ones.

Negation of negatives to achieve the positives also means piecemeal improvement. The positives, being unachievable, can create a sense of apathy and a feeling that since much cannot be done the problem being immense sluggishness is not taken seriously. On the other hand, the attempt to extinguish the negatives to the extent possible can add to the process of achieving the positives. There is no conflict between the two, but the emphasis on the negatives gives a clear policy direction compared to the fleeting positives.

Ensuring value for money

The government must ensure that all money is spent in a prudent manner and there is no opportunity for waste or leakage. One of the tools for application is the Integrity Pact, proposed by the Transparency International and used by the public sector undertakings of the government so that money spent on procurement is well spent both in terms of quality and quantity. The contracts have to be competitive and transparent and only the best and most suitable shall have the chance to work or provide materials or equipment. Since the government spends people's money there must be no restriction on people seeking information on the manner in which money is spent or lost. The people have a right to scrutinize the manner in which money is misspent. Good governance provides such an opportunity. In this connection The Right to Information Act is to be implemented in right earnest and not harass people to seek valid information.

Similarly government has to avoid all wasteful expenditure on projects that have no utility for human beings and do not add to their well being. All fanfare projects are to be dismissed as games of imagination and flights of fancy.

Hearing the discordant voices

It is the task of governance to keep the mirror of people's reaction before it. The voices of people must be heard and not stifled on various grounds. The basic criterion has to be reason, logic, and rights. The government must welcome protest and dissent as it scratches the surface below which government must know what lies beneath. Protest is a call for accountability and an occasion for government to consider whether there is any vacuum in its policy and whether something more is required. The protests are a mirror to lack of policy and draw attention to the forgotten issues. These are a reminder of something missing in terms of negligence, oblivion of the plight that causes injury or inequity. Allergy to dissent and criticism must be avoided, else the anguish and anger shall accumulate. Moreover, dissent within confines of article 19 is permissible and a

matter of right. The voices have to be heard and logically silenced by doing the right thing or convincing the protesters of illogic of their demand if this is so. The change-seekers ought not to be vilified but contested on logical grounds.

Nurturing institutions

It is the task of government to protect independence of institutions and nurture them with knowledge, skills, and legality. These are also to be strengthened and protected from assault. And in case the assault is by the government itself, then institutions must be resilient to sustain the attack so as to maintain the balance of separation of power. This can happen only if the institutions are sound and manned by capable officers and have good traditions so that they have the support of people as well. Since the institutions are supported by law the officers must have the grit to face the onslaught of government. Governance is good if all institutions work independently within their own domains. That is why separation of power is a constitutional mandate as part of the directive principles. Though institutions are part of the government, yet good governance requires the government to ensure their independence and submission to their mandate without trying to impose itself upon them.

However, sometimes governments are not interested in institutions being independent as it may not suit them. It is therefore important that countervailing ethics develop within the executive that plays the game within the structure of law, rules, regulations, and seek orders of the political executive in writing so that nothing is disowned and the burden of any wrongdoing is not surreptitiously transferred to the bureaucrat. The institutions must nurture themselves so that they can resist undue pressure from government. They have to acquire knowledge and work on legal platform thus preventing any interference in their functioning by state or non-state forces. This is not an indication of any disobedience to the executive political authority, but only strengthening the backbone of the professional executive that works without cowardice in expectation of a future gain.

Avoiding tragedy of the Commons

The commons like forests, rivers, mines, roads, streets, all ‘public goods’ beneficial to the community, belong to the government. However, the commons like environment, public spaces, burning the stubble, etc., are not considered the responsibility of any particular organization. Hence there is proliferation of illegal structures and growth of impunity among people as well as among public officials. There is easy transferring of blame on the others as none alone can be held responsible. The roads are the concern of the public works department for construction and maintenance, the police for controlling and managing traffic, and the local bodies for providing facilities and using the underground for various activities like sewage and water supply. All can leave the task midway and wait for the other to complete the task.

Government cannot take the plea that all agencies are independent and therefore nothing can be done. It is imperative that a system of coordination is worked out with one agency to be accountable overall and others directed to assist that agency. It cannot be left to departments to sort out on their own. It may not be possible as there may be no consensus and none to resolve the stalemate. The commons are not to be left to the whims of individual departments. This has led to problems of impunity as some of the officials have taken personal advantage of the situation of diffused responsibility with responsibility not resting anywhere.

Avoid belittling others

The good governance must avoid belittling others and publicizing their wrath and disdain for institutions, families, persons, and nations. This creates unnecessary tension between those who are reviled and castigated for no fault of theirs. One trend that disturbs is the emphasis on the ‘if’ syndrome. Drawing imaginary conclusions on the basis of evaluating outcomes ‘if’ someone else had been in-charge of affairs is a futile exercise that not only befools people but also creates an unbalanced assessment unless it is based upon a proper study. There is no end to such imagination. It works both ways in crating hatred by imputing blame on those in the past and giving

false sense of having missed something in the present that may not have been. One cannot impute vicarious responsibility on basis of imagination based upon prejudiced views. The present is built on the shoulders of the past. Development is a continuum and is not a one-shot affair. It is a continuous process that is conceived by some and actualized by others later.

Attention to peace both at home and with other nations

Good governance is not possible if there is unrest, suspicion, and tension between communities as these divert the attention of the government from the basic tasks of development. Not only are the projects interfered with but also the necessary things are pushed into the background. The intention is contained in the preamble as maintaining the ‘unity’ of the country. A deliberate and constant effort has to be made towards this end. Peace within the country is required for growth otherwise the resources get frittered away. In maintaining law and order, life of the communities is disturbed and it takes long for normalcy to return. It is unity that drives the tensions away. In other words, in a diverse society, it is imperative that communities are treated on an equal footing and with respect and any dissension or a whiff thereof is resolved by government through reconciliation or adjustment. No community can be permitted to overawe others in the name of majority or on the basis of religion. The astrolabe of success of good governance is the absence of any friction between communities.

Similarly, peace between countries is possible on the basis of mutual respect and common interest. With a hostile neighbor, the effort has to be made to avoid confrontation by not indulging in loose threats or braggadocio, jingoism, or military rhetoric of reprisals. Peace cannot be achieved by hurling abuses on the other and denigrating and demonizing its people thus arousing passions, angry responses and creating misunderstanding. International disputes are not to be resolved by anger, humiliation, degradation, and nationalistic rhetoric thus arousing passions, constructing an arena of doubt, aggressive postures, and threats of arousing passions but respect for dignity of the other nation and offering helping hand in solving their problems.

Dialogue and not distancing ought to be the approach. Politics of reason and not of passion alone can deliver. The responsibility of the diplomats is immense in this regard. Friendly relations or seeking friendliness with the neighboring nation shall not only reduce defense expenditure and release money for basic activities but also create a zone of no disturbance on the border, though there has to be vigil.

In this context, the directive principle under Article 51, hardly noticed for attention, is relevant. It is the duty of the state to 'promote international peace and security'. The Constitution empowers the Parliament to make any law for implement any treaty, agreement, or convention, etc. (Article 253)

Accepting role of public thinkers and those on the soil

Both top-down and bottom-up models are to be encouraged. The former belongs to elite groups of thinkers, sociologists, poets, artists, media, writers, historians, civil society, and intellectuals. The latter pertains to the panchayat raj institutions and local bodies.

The thinkers consist of well meaning persons who have the good of the nation at the heart. They articulate their point of view, and in this manner offer voluntary support to decision making. Their views ought not to be dismissed as belonging to a certain dispensation and must be treated in a rational manner. Whatever their leanings, their sensible proposal, suggestion, or view can be given adequate weight. The government must attend to what is best for people and not be dogmatic in its response to suggestions.

Similarly, role of panchayats must be acknowledged in all seriousness. These are constitutional entities and have to be treated with dignity and purposefulness. There is a need for hand holding so that funds are not frittered away. Thus a mechanism has to be evolved to make these more effective and purposeful. Their functioning is not to be bogged down with political load. This is to be ensured that local republics function in a desirable manner and not starved of funds or initiative. An effort ought to be made to weave corporate social responsibility activities within their framework so the best use of the private resources can be made for meaningful outcomes, mostly for education, clean water, and primary health facilities.

Evaluation – Not rhetoric but results

There is often rhetoric on good governance, more on intentions or pronouncements, and hardly on outcomes. Rhetoric is easy with a gift of gab; but results are the real measure of fulfillment of intentions. Mere words do not make the ends meet and are a frivolous exercise in wishful thinking and empty promises, much ado about nothing. The reality is on the ground and it has to be tested accordingly.

But how one is to determine the outcomes? What is the standard and benchmark against which government's performance is to be determined? One approach is that the present is better than the past. This can be determined by statistics, especially on education, health, satisfaction of basic needs. The experts know their job. But what is emphasized is that there would not be a revolutionary change as is promised, but a gradual one. However, piecemeal incremental improvement is much better than regression over employment, health care, and education. It is one thing that schools exist, but it is more important that the students learn the basics to equip themselves for better life in terms of achievement of entitlements, development of their potentialities, and more awareness

The other approach is to evaluate whether the government has been able to achieve dignity of individual, fraternity, and unity of the nation? Has it been successful in protecting the rights of people? Are there illegal police encounters? Is there delay in delivery of justice? Are conscious measures being taken to ameliorate the situation in courts? How about situation of employment, and child health (malnutrition, stunted growth)? Are people being saved from the crisis of subsistence and survival? Who cares for their future? Man is the focal point and measure of all things. All that is contained in the preamble, fundamental rights, directive principles of state policy, and the fundamental duties are the touchstones of performance.

Informing citizens of their duties

The governance has to prepare citizens to perform their roles indicated in Article 51A. Though the duties are not enforceable, yet the emphasis of the government in inculcating these is imperative.

These would remain in the realm of expectations among the ill-educated population who are not at all aware of their significance, or even existence. Hence a special effort has to be made in educating the same at all levels. The conduct of the individual must conform to duties to the extent possible. And it is the task of the state to ensure that people not only know but also practice these in their behavior. Conscious attention to duties shall have the advantage of normalizing behavior of individuals who may be diverse otherwise. This would raise expectations of conduct and suitable response, these being the common ground.

Preventing the repeat of man-made disasters

India has been subjected to both natural and man-made disasters. Whereas it is necessary to plan against natural disasters so as to limit their effect, it is more important to prevent and deal with man-made disasters of the types of Nellie, Delhi 1984, Hashimpura, Bhagalpur, demolition of Babri Masjid 1992, subsequent riots in 1993, Gujarat 2002, etc. These must run in the psyche of bureaucracy that has to ensure peace, irrespective of the inner desires of the rulers as justice system runs independently within its force field of the Constitution, law, rules, and regulations that are immutable, whatever be the compulsion, wrath, and angst of politicians who have emotions at the root of their desires and not rationalities and good of the nation. In this connection it may be appropriate to accept vicarious responsibility in causing a problem and not dealing with it. The administration has to be conscious of such a failure and ensure that it is not repeated.

A note on leaders

Good governance cannot be on its best if those expected to set examples of conduct are error-driven. In democracy, government is run by the political elite, the chosen few who have the supreme authority of making law that all other wings of administration follow. They have to give direction to government and monitor its performance. But if they are self-seekers, and have only interest of the party uppermost in their priorities keeping in view the future

stakes, their attention would be diverted from the core objective of governance. Their decisions would be colored by prejudice and they would dwell more on rhetoric than reality thus initiating process of populism that could deplete the financial resources and cause disharmony in society.

Leadership deficit is visible in absence of authentic approach to problems, giving sops, peddling dreams that are neither realizable nor necessary, telling lies, thinking very light of people who elect them and investing in their credulity and later on disappointing them. The leaders who give direction to the nation must first learn how to govern themselves in terms of ethical standards so that they become examples for those whom they lead. It is impermissible to have dual standards, one for the self and the other for the people who take no time in seeing through the game. As the leader, so are the people.

The leaders must avoid pathologies of appropriation of unwarranted privilege, abuse of power and position, neglect of duty, misappropriation of funds, seeking undue advantage, seductions and manipulations. They have to introspect whether they are conforming to the ethical expectations of people and not frittering away their resources on inanities of whim and pet projects that have no bearing upon the good of people. Caution, decency, economy, and modesty ought to be their forte. Like a prudent head of the family, the leader must eschew prodigality, waste, and unproductive use of resources over dream projects or projecting the myth of personalities.

Summing up

All that the government ought to do is reflected in the Constitution that is a network of values. One has to interpret it for the good of society. There is a lot of room for a positive interpretation, guided by the landmark decisions of the Supreme Court. The effort must be made to mulct the Constitution to get the maximum by drawing on its strengths. The Constitution is a sacred document and governance must seek its guidance to deliver best for the public good. It is not an 'also ran' subject in the curriculum but a practical guide in all respects.

The preamble is an ideal, protection of rights is the goal, directive principles are the aspirations to be concretized, and the fundamental duties set standard for performance and contribution by all. Government is an institution, while governance is a process that manages the policy making and the resources by exercising power and authority to achieve political, economic, cultural and social objectives. Good governance is the achievement of normative aspect of values.

If the political executive fails to deliver, the responsibility the lies with the administrative structure that must shed its fears, encumbrances, and expectations collectively by insisting that what ought to be done must be done and what ought to be said must be said. It is a sacred duty that cannot be defied.

B P Mathur

A New Development Paradigm

From Economic Growth to Human Well-being

The Indian policy makers view development in narrow terms of 'economic development' and more particularly in terms of Gross Domestic Product (GDP) growth. While following this model, they are deeply influenced by Western Ideas and ideology, without realizing its unworkability in Indian conditions. The West's idea of development has emerged out of their materialistic philosophy with its economic orientation. This philosophy which can be termed as economism- believes that people are driven solely by desire of material goods and work to fulfill them. Under economism, earning money and making profit becomes summum bonum of life. On the other hand India's ancient culture is embedded in humanistic values, which aims at welfare and happiness of human beings. It gives primacy to values such as social justice, community feeling, love and sharing. This is expressed in our ancient prayer- sarve bhavantu sukhina, sarvesantu niramayah (May all beings be happy, may all be happy). There is total disconnect of our current model of development with India's civilizational and cultural ethos, as a result we are unable to solve any of the problems people face in their day today living. 'Real development' implies creation of an environment in which the personality of human being flourishes and people can lead a happy, satisfied and fulfilling life.

The current ruling economic ideology of the West, which is often termed as capitalism, believes in free play of market forces, with State exercising minimum interference in the economy. The ideology when practiced with no holds bar, has come to be known as neo-liberal model of economic development and was given practical shape when Ronald Reagan came to power in USA and Margaret Thatcher in UK during 1980s. It is backed by powerful international

institutions like World Bank, IMF and WTO. Its intellectual support was given by Milton Friedman Nobel prize winning economist and his Chicago school. Its main components are deregulation, liberalization, privatization and globalization. The corporates and businesses vested interest dictates this model. Growth is inbuilt into the free market system, as profit to businesses can come only by ever increasing production and consumption of goods and services. It is said that 'corporates are the growth machine of capitalism'. In USA the largest Fortune 500 companies account for over half the gross domestic product. So long as the production and sales are increasing the GDP number would grow and keep the corporate and business happy.

The economic downturn faced by USA and Western European countries during 2007-09 shows the hollowness of free market ideology. While these countries have by and large come out from the recession, they continue to face serious socio-economic problems such as rising inequality, unemployment and ecological crisis. Nobel prize winning economist Joseph Stiglitz observes that what has gone on can be described as 'moral deprivation', 'Something has happened to our sense of values, when the end of making more money justifies the means, which in the US sub-prime crisis meant exploiting the poor and least-educated among us'¹. Expressing similar views Jeffery Sachs, another distinguished economist comments, 'Our greatest national illusion is that a healthy society can be organized around the single-minded pursuit of wealth. The ferocity of the quest for wealth throughout society has left Americans exhausted and deprived of the benefits of social trust, honesty and compassion.'²

India adopted a New Economic Policy in 1991, making a clean break from the past, and embraced free market economy. However, more than twenty-five years after liberalization the lot of common man has not improved and vast majority of Indians continue to live in poverty and deprivation.

¹ Joseph E Stiglitz, *The Price of Inequality*, London: Allen Lane, 2012, p xiv- xviii.

² Jeffery Sachs, *The Price of Civilization- Economics and Ethics after the Fall*, London: The Bodley Head, 2011, p 9

Part I

The Perils of Free Market Ideology

The current ideology of free-market has created serious socio-economic problems all over the world, the most important problem of which are as under:

1. Ecological devastation
2. Inequality in society
3. Consumerist culture
4. Unemployment, particularly of educated youth

Environment: The vast expansion of human activity is proving disastrous for environmental sustainability. Carbon-di-oxide emission, mainly due to use of fossil fuel as an energy source is leading to warming of the planet, disrupting climate. Al Gore, environment crusader and former US Vice-President observes, that the ecological crisis is threatening the habitability of the world and if is not quickly addressed, has the potential to end human civilization as we know it. Think Tanks such as The Club of Rome and World Watch Institute point out that that the planet's ecological limits make limitless growth a mathematical impossibility and plead for a managed process to limit growth. Environmentalist James Speth says, 'Right now, one can only conclude that growth is the enemy of environment. Economy and environment remain on collision.'³

The problem of environment sustainability for India has a much wider dimension, as it is directly linked with livelihood and survival of large section of population. Unfettered development has damaged the ecology making life difficult for people and leading to deprivation of land and natural wealth of people who are solely dependent on land and forests for their livelihood. The chipko movement in Utrakhand, Narmada Bachao Andolan, the protest movement against Kundakalam atomic power project in Tamilnadu, and Niyamgiri hills

³ James Gustave Speth, *The Bridge at the Edge of the World, Capitalism, the Environment and Crossing from Environment to Sustainability*, New Haven CT: Yale University Press, 2008, p 57.

in Orissa are all reflection of people's deep dissatisfaction with the current economic policies of the government.

There is an urgent need to tackle environmental crisis. India's ancient scripture Vedas have considered earth as living mother-*bhoomata* and many of its verses glorify Mother Earth. In order to make a dent on the problem of ecological crisis, we need to change energy intensive consumption oriented life style, which we are copying from the West. India's ancient wisdom extolled the virtue of 'simple living and high thinking'.

Inequality : A free market economy creates vast disparity in income and wealth in society, as has been the experience of USA and other Western countries. The corporate owners and executives appropriate most of the profit to themselves, sharing very little with workers who are equal partners in wealth creation. In USA Top 1 % own 40% wealth, the bottom 80 % just only 9%. In last three decades, the workers wages have remained stagnant despite rising labour productivity. Between 1945-73, US workers productivity grew by 96%, wages increased by 94%. However between 1973-2011, while productivity increased by 80%, wages increased only by 10%. An Oxfam study (2017) notes that over years the inequality in the world is increasing and threatens to pull societies apart.⁴ Since 2015, the richest 1% has owned more wealth than the rest of the planet.

The economic growth in India is following the same pattern as USA and other Western countries and its benefits unevenly distributed. The Oxfam study found India as one of the most unequal country in the world. It notes that richest 1 percent owned 58 percent wealth while poorer half just 2 percent in 2015. In 2000, richest 1% had owned 37% wealth. According to Forbes India has more than 100 dollar billionaires accounting for one-fourth of country's GDP. All the benefits of growth are cornered by urban, educated and better off people, with the poor left out, threatening social instability.

Consumerism is a pillar of modern growth oriented economic model. Consumerism leads people to associate high consumption

⁴ Oxfam, An Economy for the 99 percent; https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-economy-for-99-percent-160117-en.pdf.

levels with well-being and success. Imitating West consumerism is fast spreading in India. Acquisition of palatial houses and luxury cars, culture of five star hotels and holidays abroad, and ostentatious display in marriages and other social functions are all symbol of fast spreading consumerist culture. Consumerism has, however its cost, which includes stressful inducement to consume more, even if the quality of life declines. A society faces social instability when consumerism become a status symbol.

Unemployment: One of the most serious problem facing the world today is that of unemployment particularly educated youth. Western countries, where full employment is the main plank of social policy, have not been able to recover from the economic downturn of 2008. From 2010 onwards in European Union countries, average unemployment rate has been over 10 percent, though during last three years it has come down to 7 to 8 percent. In some countries such as Greece and Spain unemployment rate was more than 20 % and has only marginally declined in recent years and has poses threat to social stability.

Two factors have contributed to this mass unemployment. Big firms and MNCs who account for substantial portion of global production and trade, constantly cut costs due to competitive pressures and upgrade technology, resulting in shedding of labour. Secondly, the digital revolution has led to shrinking of labour's share of output and has completely disrupted the global job market. The effect of technological revolution is changing the traditional pattern of economic development and poor countries can no longer count on a growing industrial sector to absorb labour from rural areas. Therefore there is need to seriously re-think about the conventional model of development.

Part II

India- Socio-economic Setting

The success of economic policy can be judged by its impact on the quality of life of common man. Has the lot of common man improved during last two-and half decade of economic

liberalization ? Unfortunately, most component which constitute social and economic well-being of people, such as education, health, employment and a healthy agriculture and industry are in dismal state. This shows that our existing policy of development has failed and calls for fundamental re-think.

Education and Health : Every country of the world, which is in the league of developed country, has done so on the strength of full literacy, high quality education and universal health care. India's educational record since Independence is deplorable. Although government belatedly recognized the importance of literacy and education and has enacted a 'Right of Children to Free and Compulsory Education' in 2009, things haven't improved. Periodic surveys by NGO Pratham in what is known as Annual Status of Education Report (ASER) presents an alarming picture of primary education. A large number of children, after several years of schooling, cannot do basic reading and writing and solve simple sums. Absence of good teaching facility, coupled with administrative incompetence and political indifference is responsible for present state of large section of population remaining illiterate or semi- literate. Secondary education suffers from the same ills as primary. There is very little emphasis on vocational education and skill development, which is job oriented.

There has been haphazard expansion of higher education, which is fragmented, scattered in thousands of affiliated colleges, with no infrastructure and poor quality teaching. This is largely due to Government's policy of privatization, permitting free entry of private players, making education a tradable and marketable commodity. In the process an exploitive band of private players, mostly belonging to political or business class, have entered the domain of education with hundreds of capitation fee engineering, management and medical colleges springing up all over the country. They have poor infrastructure and lack qualified teaching faculty and dish out degrees without imparting knowledge and produce unemployable graduates. Only the rich and moneyed have finances to buy a seat in private colleges and the poor or persons with modest means are left behind. The overall story of private participation

in higher education is sordid incompetence, corruption, nepotism and abysmally low standards.

The commercialization of higher education, making it a commodity available to highest bidder, should stop. The State must take full responsibility for its provisioning. The aim of higher education should be quest for knowledge, building character and developing a spirit of service to society. The young boys and girls who come out of these institutes should have confidence to stand on their own feet and become responsible members of society.

Public health services in India are in a poor and pathetic state. Health centers in rural areas are not able to attract qualified doctors and nurses, and lack equipment and medicines even to provide rudimentary medical services. In urban centers government hospitals and dispensaries suffer from chronic mismanagement, they are overcrowded, filthy, lack basic medical equipment, perpetually remain short of medicine and the medical staff is indifferent to patients need. This results in the public, bypassing government's medical services and go to private doctors and hospitals, even if they have to pay exorbitant charges for the service. Only the rich or those in organised sector whose treatment cost is borne by the employer, can avail the facility of private medical care. The poor have no where to go.

Good health of general population is important for national prosperity. This is possible only through publicly funded Universal Health Coverage, so that every citizen can have access to atleast primary and secondary health care. The present policy of insurance-based health care, through private providers, copying US model, is costly and inefficient, and should not be made the main channel for health care for general population. We should adopt international best practice and look at UK, France and other progressive countries as model, so that affordable health care is available to everyone.

Agriculture

Agriculture in India has become a totally unremunerative occupation causing huge rural distress and is the main reason for widespread poverty and unemployment in the country. While more

than half the work force in the country is engaged in agriculture and allied activities, its contribution to GDP is only around 15 percent. The spate of suicides by farmers all over the country is a reflection of deep malaise in the agriculture sector. In recent years farmers in different parts of the country have resorted to agitation to bring their plight to public notice and some State governments have written off loans to give them temporary reprieve.

The Indian farmer and the Indian agriculture has shown tremendous response to a sensible policy regime. The Green revolution ushered in early 1970s resulted in spectacular growth in food grains production, and the country attained self-sufficiency, from chronic shortage and imports, which characterized the country earlier. Unfortunately post economic liberalization, agriculture sector has lost dynamism, agriculture GDP growth has been decelerating to around 2 percent per annum from the target of 4 percent.

There is a huge urban bias in our policies due to which rural India has suffered. Its best evidence is declining public investment in agriculture during last several decades. A study finds that Rural Expenditure combined both central and state governments (fertilizer subsidy, cooperation, Agriculture and allied activities, rural development and irrigation) is totally mismatched with the population. During periodic ten year census, from 1950-51 to 1960-61 onwards to 2000-01 to 2010-11, rural expenditure ranged on an average of between 9.5 % to 12 % of total public expenditure, while during this period 69 % to 82 % of India's population lived in rural areas.⁵

There are a large number of structural and social factors due to which agriculture has become a unrewarding occupation such as, small size of land-holdings; growing cost of cultivation due to heavy dependence of high cost inputs; volatility of crop output and shortage of water, as much of agriculture continues to be rain dependent. However, the biggest cause of rural distress is low prices

⁵ G Gangadhar Rao, 'Inevitability of Gandhian Village Reconstruction in Rural India', *Mainstream*, Volume LII, no 41, 4th October 2014; Praveen Jha and Nilachala Acharya, 'Expenditure on the Rural Economy in India's Budgets since the 1950s: An Assessment', *Review of Agrarian Studies*, Vol 1, No2.

of agriculture products, due to a number of factors. When there is a bumper crop prices slump, on the other hand when there is fall in production due to vagaries from which agriculture suffers, farmer is not able to take advantage of market forces as government intervenes to check prices- often resorts to imports, in the interest of consumer and other interest groups. To protect farmers from vagaries of market, Government has a system of Minimum Support Prices (MSP). Today, 24 agricultural commodities are under MSP regime, which is fixed on the basis of recommendations of Committee on Agriculture Cost and Prices. Although wheat and rice are the main commodities procured by government, it includes pulses, oilseeds, cotton and sugarcane. While this helps farmers in preventing distress sale, the price support mechanism has not been hitherto giving decent income to farmers.

Eminent agriculture scientist MS Swaminathan, who had chaired National Commission on Farmers, notes that under the existing policy farmers hardly get 15 percent margin between cost of production and purchase price. The Commission has recommended that the Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production. The NDA I government has accepted this recommendation and from 2018-19, fixing MSP at a level of at least 1.5 times of the all India weighted average cost of production. Government feels that an assured 50 percent margin of profit will help doubling farmers' income by 2022. Government has also announced PM-KISAN yojana in February 2019, under which the small and marginal landholder farmer families with cultivable land holding upto 2 hectare across the country will be given an assured income of Rs 6000 per year. We have to wait and see if these measures will help farmers getting decent income.

Nobel prize winning economist Theodore Schultz had observed in his Nobel Prize lecture (1979) that, the reason why governments tend to introduce distortions that discriminate against agriculture is that internal politics generally favor the urban population at the expense of rural people, despite the much greater size of the rural population. The political influence of urban consumers and industry enables them to extract cheap food at the expense of the vast number of poor rural people.

In order to make agriculture dynamic, farmers should be given remunerative prices as low prices of agriculture products, is the biggest cause of rural distress. There is also need for massive public investment in agriculture infrastructure such as irrigation, farm machinery & equipment, seeds, post harvesting handling and processing and R&D. For India to become a prosperous country agriculture and rural sector should be made dynamic and mainstay of the economy.

Industry

It is through industrialization that Western countries have achieved the present level of prosperity. Lack of a robust industrial and manufacturing sector, is largely responsible for India's backwardness. Currently services account for 60 % of GDP, while agriculture 15 % and industry 25 %, with manufacturing share at 15% (industry group includes manufacturing, mining, electricity and construction). There are three main component of national industry – small & medium enterprises, public enterprises and large corporate sector, each responding to different policy initiatives. However, whenever there is talk of industrial development, the private sector takes away all the attention and the importance of Small and Medium Enterprises (SMEs) in job creation and economic growth has not been recognized.

Micro, Small and Medium Enterprises (MSMEs) account for 45 per cent of the manufacturing sector's output, and provide employment to 60 million people- about 15 % of country's employment. The SME sector is very heterogeneous, while one end of the spectrum contains highly innovative and high growth enterprises, more than 90 per cent of MSMEs are unregistered, with large numbers in the informal or unorganized sector. Some of the innovative sectors where SMEs have made significant contribution to the economy include textiles and garments, drugs and pharmaceuticals, IT hardware, electronics and chemical products.

World-wide Small and Medium Enterprises (SME) have been recognized as engines of economic growth. They account for 95 % of firms and 60 to 65 % employment in rich (OECD) countries.

In USA half the jobs are in Small and Medium-sized firms (SMEs). In Euro area they play a bigger role. In France SMEs employ 60 % workers, in Spain- 67% and in Italy- 80 %.

In India, SMES are unable to compete with imported products or those made by large manufacturing units. They face basic problems such as : access to finance and credit at reasonable cost, marketing of products, non-availability of raw material at competitive prices, low technology and lack of skilled manpower. There is urgent need for Government to reorient its policies to give massive support to SMEs, by way of provision of credit and finance, technology up-gradation, skill development and protective measures against dumping of cheap products from abroad. SMEs have huge potential for job creation and becoming engines of growth of the economy.

Public Enterprises was the edifice on which India's development strategy was built in the first three decades of planning and they were expected to occupy commanding heights of the economy. However, post economic liberalization the Indian policy makers are pursuing a policy of privatization and dismantling state-enterprises, eroding the industrial base of the country, built assiduously over years.

During the UPA (2004- 2014) and present NDA regime, government has been divesting portfolios of profit making navratnas and mini-ravratna companies, while retaining majority control, so that their control on the company remains. There is no sound economic logic to sell shares of profitable PSUs in core sector of the economy. This policy has simply contributed to destabilizing the management of prized PSUs and prevents them from long-term strategic planning and investment. Government has been earning huge money by disinvestment - Rs 43,100 cr in 2015-16; Rs 45,500 cr in 2016-17; Rs 100,045 cr in 2017-18 and Rs 80,000 cr in 2018-19. This money should have been invested in public enterprises in critical sector of the economy such as energy, oil and electronics. Instead money has been used to meet government's burgeoning budgetary deficit and violates all canons of prudent fiscal management. The present policy tantamounts to selling family silver to pay for grocers bill and killing the goose that lays the golden egg.

It may be mentioned that PSUs on the whole are making substantial contribution to national exchequer by way of dividends - Rs 30,600 cr in 2015-16, Rs 70, 000 in 2016-17, Rs 46500 in 2017-18 and Rs 45,100 cr in 2018-19. PSUs as group are, however, a mixed bag. While many are in core and strategic sectors, running profitably, a good number are sick and chronically loss making and a big drain on the economy. Sick industries should have been be the first candidates for privatization. The present policy can be described as one of privatization of profit and nationalization of losses.

World-wide emerging market countries are relying on state-enterprises as the main vehicle of industrial development. Today China dominates the world in industrial production through its state-owned companies. In most newly emerging market countries, the State-owned-enterprises have reinvented themselves and are thriving. They are listed in stock-exchange, run by professional managers and given more financial autonomy and have overcome classic problems of State ownership. Government should follow a pragmatic industrial policy and support PSUs in core sector of the economy as they alone can fulfill country's vast infrastructure and capital intensive high-tech industry needs, and withstand competition with multinationals in a highly competitive globalized world.

It must, however, be said to the credit of New Economic Policy, that the corporate and organized manufacturing sector, has risen to the challenge of a competitive world and become efficient. In several high technology sectors such as automobile and automobile parts, drugs and pharmaceuticals, heavy machinery and equipment and textiles, Indian firms are not only meeting domestic demand but have strong export presence. There is need to design policy measures for balanced growth of all three sectors, small & medium, public enterprises as well as corporate sector and they work in tandem, so that the country becomes industrialized and a manufacturing hub.

Free-trading - Impact on Indian Economy

Despite seven decades of independence, the economic relations between India and developed countries continue to be 'colonial', India

a huge importer of manufactured and capital goods, while a large part of its export basket consists of agriculture, minerals and 'primary manufactures', in a shrinking global market. The liberalization of the economy in 1990s, has compounded the problem as it has given further push to imports, which continue to grow exponentially, without corresponding rise in exports.

India is having a heavy adverse balance of trade from the time it started development planning resulting in continuous decline in value of rupee in relation to dollar. India's export earnings have been able to finance imports, only to the extent of 65 to 70 % in the last decade. During 2015-16, while exports were \$ 262 billion, imports were \$ 381 bl, with a trade deficit of \$119 bl; during 2016-17, while exports were \$ 274 bl imports were 380 bl, with a deficit of \$ 106 bl; in 2017-18 exports were \$ 303 bl and imports were \$ 460 bl with deficit of \$ 157 bl and in 2018-19 exports were \$ 330 bl and imports were \$ 514 bl with deficit of \$ 184 bl. India's exports have been stagnant for last several years and have somewhat picked up in 2018-19 but with a record deficit as imports have also accelerated. Heavy trade deficit puts severe pressure on the rupee and results in decline in its value in relation to dollar and other foreign currencies. Fortunately due to India earning substantial foreign exchange due to IT exports- around \$ 70 billion and remittance from Indian workers abroad - \$ 65 billion annually, there is measure of stability in the exchange value of rupee in terms of hard currencies.

A liberalized import policy and exposing domestic industry to international competition without first building its strength, has a devastating impact on manufacturing. India has a low duty (10 percent) on most industrial products and zero duty on several products such as electronics and semi-conductors. Consequently the country is flooded with huge imports of consumer electronics and electronic hardware, power manufacturing equipment, steel , solar cells and module against which domestic firms cannot compete and prevents building a robust domestic manufacturing base.

The liberalization of the economy has pre-maturely pushed Indian agriculture into global markets without a level playing field.

The farmers are getting squeezed on both sides, due to high cost of seeds and pesticides imported by foreign companies and heavily subsidized agricultural products dumped by Western and other countries in the Indian market. With the formation of WTO (World Trading Organisation) in 1995 (replacing GATT), agriculture has been brought under its ambit, which has spelled doom for many developing countries. The agreement is heavily loaded in favour of developed countries, which gives billions of dollars as subsidy to their farmers, but have no obligation to phase them out, but if a modest subsidy on food-grain, is given by a developing country, as a social protection measure, it is treated as ‘trade-distorting’. WTO has been objecting to India’s Public Distribution System (PDS), which provides food grain cheap to poorer section of the population and terms it as ‘unfair’ and wants it to be eliminated. On the other hand US gives huge subsidy for crops like corn, wheat, cotton and soyabean and EU for milk, butter and sugar, which is classified as ‘income subsidy’ and considered as non-trade distorting. These products are dumped in developing countries, which depresses prices, undermines livelihood and destroys their economies.

Unimaginative policy of import of agriculture produce has played havoc with the life of farmers, often resulting in crash in prices. The import of arhar dal - tur, during 2016-17, when there was bumper production illustrates the point. Production of pulses had increased by 30 % and tur by 50 % over previous two years. The glut in market forced farmers to sell pulses below the MSP (minimum support price), which itself was fixed very low, below the cost of production. The crash in prices of pulses and several other agricultural produce during summer of 2017 led to wide spread farmers agitation in the country, which turned violent in Madhya Pradesh, resulting in police firing and unfortunate death of some farmers.

Government policy of pampering urban consumers and keeping prices of agriculture produce such as sugar and edible oil low by importing them, has destroyed the livelihood of farmers across large swathes of country. Whenever, there is a tendency for sugar prices to rise, government resorts to import, making production in sugar

mills unviable, who in turn squeeze farmers resulting in crores of rupees of arrear payment to sugarcane growers in States such as Uttar Pradesh. In order to pamper urban consumers, India imports huge quantity of edible oil (mainly palm oil)- presently 60 % of consumption from Malaysia and other countries by resorting to a liberalized import policy and keeping duty low. The country was self-sufficient in edible oil production two decades back. Due to flood of cheap imports, farmers of oil seeds such as groundnut, mustard and til cannot compete and have been squeezed out of its cultivation.

Forgetting Lessons of Economic History

India embraced a free trading regime, post-economic liberalization, forgetting completely its history of colonization. Historian K M Panniker in his book, *Asia and Western Dominance* had elaborated that promotion of Britain's trading and commercial interests provided the main impulse to subjugate India to its political will. Britain was most protective country during much of its economic rise during 18th and first half of 19th century. It adopted free trade only in second half of 19th century after its industrial dominance was absolute. In late 19th and early 20th century, Britain continuously pressurized Germany and USA two other rising industrial powers to adopt free-trade but they refused to kowtow the line. The industrial revolution took off in USA because of high protective tariff to keep British goods out- the tariffs were five to ten times as high as theirs and that was the fastest economic growth in American history. Cambridge economist Ha –Joon Chung⁶ explains how all of today's rich countries used protectionism, subsidies and other State supported measures to promote industrialization. “[The] free-trade, free-market policies are policies that have rarely worked. Most of the rich countries did not use such policies when they were developing countries themselves, while these policies have slowed down growth and increased income inequality in developing countries in the last three decades.”

⁶ Ha-Joon Chang, *Things They Don't Tell You About Capitalism*, New York: Bloomsbury Press, 2012, pp 62-73.

Backlash against Globalization

Today there is a world wide backlash against globalization even in developed countries, who were its most ardent champions. The main reason is China's rise as an economic power, which does not play by the rules of the game, undercuts prices, resulting in millions of people out of work around the world and has become an open wound in international trade. Britain's proposed exit from EU and the election of Donald Trump as President of United States is an expression of severe dissatisfaction from current economic order. James Meek an eminent British litterateur in a perceptible book, *Private Island- Why Britain Now Belongs to Someone Else* (Verso, London, 2015), focuses the damage done to Britain and its society by mindless pursuit of the policy of privatization, and globalization. Privatization has failed to demonstrate that private companies are more competent and efficient than the State owned and has failed to make firms compete and give customers choice and better services. The stealthy encroachment of profit into public institutions has changed the character of society and it is not only public enterprises that have become private property, but citizens themselves.

Part III

The Middle Path

The world is today groping for a 'right development' model. As noted above the free-market economy model- the current ruling ideology, is unable to solve the socio-ecomic problems the world is facing. The socialist command economy model of the erstwhile Soviet Union type, has already collapsed. Does Gandhian ideology and philosophy of socialism provide us some guidelines?

The Gandhian Alternative

The existing free economy development model ignores issues of ethics and social justice and therefore there is a world-wide backlash against it. Mahatma Gandhi had said that economics cannot be divorced from ethics. Gandhian thought provides us some valuable guidelines to solve some of our current economic woes. The

fundamental postulate of Gandhi's economic philosophy is individual dignity and the welfare of the poorest of the poor. Gandhi felt that a man earns his dignity by working and earning his bread and livelihood, as work is a medium of self-sustenance and self-expression. Therefore the economic system should be so organised that every individual has an opportunity of getting a gainful employment. Gandhi was opposed to mindless industrialisation and supported rural-centric development with agriculture, cottage and small scale industries getting pride of place, as this was the only way, unemployment problem could be solved, in a labour abundant country like India. Gandhi was totally opposed to economic globalization, as it displaces local labour, and is against the principle of economic self-reliance. Gandhi supported decentralised development model, as it would help benefits of development reaching the lowest rung of society and promote equity and social harmony. Gandhi was opposed to conspicuous consumption and luxurious living. He wanted people to have minimum needs and lead a simple life.

Looking at the present day world, when environmental degradation is the most serious problem, people have no choice but to change their life style and reduce consumption, if the planet is to survive. Gandhian thought if understood in its true spirit, offers solution to serious problem of unemployment, inequality and environmental degradation, which the world is currently facing.

Relevance of Socialist Philosophy

In the second half of 20th century the ideology of socialism, acquired a dubious connotation, as it symbolized a system where State controlled not only the means of production and distribution, but every aspect of citizens life, stifling not only economic growth but also suppressing individual liberty and freedom. This was largely due to the manner in which socialism was practiced in Soviet Union, its satellite countries and China. It is an error to identify socialism purely in terms of economic management of the economy. Socialism is more about creation of an egalitarian society and reduction of inequality of income, wealth and power in society. Socialism is deeply concerned with social justice and an exploitive economic and

social order. Arthur Lewis, a Nobel laureate in Economics observes, 'Socialism is about equality. The links of socialism are with liberalism and with anarchism, with their emphasis on individual freedom and in opposition to an extended State'.⁷

Post second world war the leading economies of Europe such as Britain, embraced basic philosophy of socialism and moved towards creation of a welfare state. Under Beveridge Plan, the Labour Government, of Prime Minister Clement Attlee, introduced universal health coverage, unemployment insurance, old age pension, free basic education and affordable housing. Today Nordic countries such as Denmark, Finland, Norway and Sweden have set an example of an idealistic society. They have combined a free market economy with a welfare state and are at the top of everything from economic competitiveness to social health to happiness. The Nordic model is distinguished by its emphasis on maximizing labor force participation, promoting gender equality, egalitarian and extensive benefit levels and large magnitude of income redistribution. It has an elaborate social safety net , free education, universal healthcare and public pension plans. In Nordic countries 30 percent of labour force works in the public sector, twice the average of OECD. They pride themselves as having the least economic inequality amongst all the nations of the world—the Gini coefficient being just around 0.25. Nordic countries provide a conducive atmosphere to private enterprise and is home to some of the most prestigious corporates. Their philosophy is combining open economics with public investment in human capital.

New matrix of Development

What we need today is a model of development which makes a judicious mix of free market and socialist ideology, the market and the State working in harmony and in tandem to deliver people centric services. This basically means striking a balance economic goals and social goals and following a middle path advocated by our spiritual gurus from

⁷ W Arthur Lewis, *The Principle of Economic Planning*, London: George Allen & Unwin, 1954, pp 10-11.

times immemorial. Gautam Buddha had advocated the Middle Path, where he spoke of the concept of a harmonious, balanced life, steering between two extremes of self-indulgence and total abstinence, which transcends suffering. The Bhagavad Gita extols the virtue of moderation and balance in life and in all our activities (6.17).

Part IV

Cultural Ethos as Foundation

Much of India's current problems are due to our blindly following the Western materialistic model of development, where GDP growth is considered the main measure of a country's development and progress, irrespective of its economic and social cost. The ideology is based on the premise that human beings have limitless wants and making money to satisfy those wants is the main purpose of life, as well as public policy. This approach is in sharp contrast to India's cultural ethos which is ethico-spiritual. Sri Aurobindo had emphasized that spirituality is the master key to Indian mind and life cannot be lived in sole power of externalities. India culture is embedded in humanistic values and aims at welfare and happiness of every human being. It has a cosmic vision where the orientation is towards 'welfare', 'social good' and the 'good of the greatest numbers'. This is reflected in the statement 'Vasudhaiva kutumbakam', that is, the world is one family.

It needs to be understood that the idea of free markets and globalization, is not the same thing as the Indian philosophical concept of vasudhaiva kutumbakam. Globalisation is the outcome of West's industrial and technological civilization which believes in making wealth by more and more production and consumption of goods and services. While it has led to flourishing of world trade and commerce and economic betterment, its nature is materialistic and consumerist and its motivating force is profiteering and self-interest. It results into cut throat competition, rivalry and conflict and 'winner takes it all' approach. On the other hand vasudhaiva kutumbakam is essentially a cultural and spiritual concept. It looks towards the whole world as one family with love, harmony, cooperation and mutual support as basic ingredients. It rules out unlimited consumerism.

Its philosophy is rooted in self imposed control, equitable sharing of resource and taking care of every member of society. Service to fellow human beings and self abnegation are key to India's cultural heritage, as Swami Vivekananda had said that the essence of Indian culture is *sewa aur tyag*. A successful development model should be in harmony with cultural ethos of the country.

Our development philosophy should be redefined as creation of a happy, healthy and prosperous society.

The objectives of development should therefore be:

- ◆ Abolition of poverty,
- ◆ Equitable distribution of income and wealth,
- ◆ Social Well-being of people,
- ◆ Development of human capability,
- ◆ Ecological sustainability.

Following should be the implementable goals to achieve above policy:

- Dignified employment for everyone.
- Dynamic Agriculture & Rural economy.
- Robust Small & Medium enterprises.
- Developing capability of work force through Education &
- Health coverage for everyone, through Universal Health Care system.

Dharma as Guiding Principle

India's ancient philosophy has deeply reflected on human beings purpose on planet earth and recognized four goals of life called *pursharth* - *arth*- wealth , *kama*- worldly pleasures , *dharma*-righteous living, *moksha*-salvation. These goals reconcile worldly pursuits with spiritual goals. A normal human being is to pursue three goals- *arth*, *kama*, and *dharma*, in what is known as *trivarga*. The doctrine of *trivarga* says that while it is perfectly legitimate to make money, engage in livelihood and enjoy pleasures of life and

recreational activities, they must be within the bond of dharma. Dharma is that which sustains progress and welfare of the world and embraces every type of righteous conduct on the part of the individual as well as the State.

Some Western philosophers have expressed a view that Indian culture is life-negating and regards this mundane world as illusion, which is largely responsible for their lack of economic development and backwardness. This viewpoint is based on incorrect understanding of Indian philosophy. The importance of wealth, both in personal life as well as statecraft, was recognized from ancient times in India. Kautilya, had said: Sukhasya mulam dharma; Dharmasya mulam artha; Arthasya mulam rajyam- Dharma (righteousness) is the root of happiness; Wealth is the root of dharma; The State is the root of wealth. It would be a misunderstanding of the India's culture values, if it is understood as one against economic betterment and prosperity of human beings. Indian world view is that, earning money- arth and enjoying pleasures of life –kama, are desirable activities but they must be regulated by dharma. This moral guideline is not only for the individual but also for the State in what is known as rajdharma. India's culture recognizes that earning wealth is important, but this cannot be the sole purpose of human endeavor and should be within the bond of dharma. Therefore, we should work towards a model of development which strikes a balance between material and spiritual goals, and provides economic betterment and social justice to every citizen of the country.

Most of the problems that we face today in India, as well as in the global arena, are due to worship of materialistic ideology, which is devoid of human values. Material values give rise to baser motive such as selfishness, greed and corruption. This results in deadening of social conscience and insensitiveness to social evils such as poverty, injustice, exploitation and caste and gender inequalities. The problem is accentuated when State blindly pursues a policy of economic growth, to please an influential section of elite, who want to lead a life of luxury and indulgence. This results in consumerism, economic inequality and cut throat competition and causes dissatisfaction and unhappiness to majority of the population, who are left out of

economic race for betterment. If India is to become a happy and prosperous society, our national policies should be based on our cultural and spiritual heritage which impart noble values such as truth, honesty, love, compassion, sharing, community spirit and service. Therefore development goal should be redefined as creation of a happy, healthy and prosperous society.

Note

- 1 This essay has been adapted from author's article, Rethinking Development: India's cultural ethos as Foundation, which appeared in Indian Journal of Public Administration, Volume 65, Issue 1, March 2019, published by Sage.
- 2 The ideas presented in this essay have been elaborated in author's book, An Alternative Philosophy of Development: From Economism to Human Well-being (Routledge: London, 2017).

Anil Chowdhry

Building Institutional Memory for Improving Policing

Policing is the touch-stone of efficient governance. Providing security to the lives and properties of its citizens is the primary responsibility of the state. While governments in developed countries have been particular about keeping their police forces well equipped, trained and motivated to meet the dynamic challenges posed by criminals, policing in our country unfortunately continues to be trapped in the colonial era. Even decades after independence the political and bureaucratic leadership of free India have shown no inclination to make the police perform as a service to its citizens and as agents of law enforcement.

There are clear and repeated indications that law and order is allowed to be breached and criminal depredations continue with impunity in some parts of our country. According to our Niti Ayog , there can be little development unless law and order is kept under control by providing effective policing in all parts of our country and further that contrary to popular perception, the poor crime situation in our country is the major (84%)factor for dissatisfaction among the people, followed by unemployment (65 %).

The Colonial Mindset

The focus of policing by the British rulers vide the Indian Police Act of 1861, created in the wake of the 1857 uprising was to defend their newly created (1858) sovereignty against public unrest. The British rulers encouraged Indian Police officers to create 'Rutba' a Persian term denoting aura of power which helped in maintenance of peace. This 'Rutba' has almost disappeared now. Post-independence, it has suited our political masters to keep the police under their influence and frequently misuse the force to serve their vested interests. The ordinary citizen consequently is the sufferer.

Police in India has faced amazing challenges since Independence burdened as it was with the legacy of a policing system crafted for facilitating the governance of a foreign occupational power. Simultaneously, the Criminal Judicial System (CJS) remained one which was created to serve the needs of a colonial power. Thus, proactive governance in areas requiring urgent attention remained poor and continues almost unchanged. Officers worked in such affected areas like Naxal belt, Northeast states & J&K are best equipped to throw more light in this aspect.

The Need for Police Reforms

Police reforms recommended time and again by commissions and committees have been put on the back burner for more reasons than one. Frankly speaking, because our political and bureaucratic leaders do not wish to lose their hold over this most visible organ of governance and make it answerable only to the laws of the land and judiciary, as is the norm in most developed democracies. Even clear directions issued by our Supreme Court on reforming police to make it more responsive to society have, by and large, been ignored by the State Governments. Since policing and law and order under our Constitution are state subjects, there is little that the Union Government and the Ministry of Home Affairs, the nodal ministry for policing can do about it.

The meagre resources of the state police forces continue to be wasted in non people oriented duties like providing security to the hordes of VIPs, to escorting prisoners and executing the innumerable summons and warrants issued by the courts. While there has been a huge proliferation in the strength of our para-military forces, the civil police which provides security to those residing within jurisdictions of the Police Stations (Thanas) and Posts (Nakas) continues to manage with highly depleted numbers. The common people thus remain deprived of the essential services of the police. A huge deficit exists between the expectations of civil society and actual policing. Given the constitutional and judicial deadlock, the only way forward in improving the situation rests with the police leadership.

Absence of Think Tanks in Internal Security

Much improvement can be brought about by drawing on the experiences of successful police operations, individual officers and institutionalising memories of events and leadership. Each state has a Police Training College for running basic and refresher courses for Gazetted Police Officers and also Police Training Schools for the other ranks and junior officers. These institutions are meant to teach theoretical and practical lessons for imbibing the highest standards of policing. At the apex level is the Sardar Vallabh Bhai Patel National Police Academy (SVP NPA), one of the finest police training institutions in the world. While the best police officers and academics are selected to staff these institutions in developed countries, in ours unfortunately, there are few takers for these jobs. Institutional memories are built and preserved in these training institutes by inviting retired senior officers to interact with the officers under training who relate how they had met with professional and ethical challenges. These challenges are, of course, fast undergoing changes but the basics of policing viz a vis prevention and detection of crime and maintenance of public order remain the same. In addition to lectures and seminars, each institution brings out journals in which articles of professional interest are published periodically. The Bureau of Police Research and Development (BPR&D) also brings out the quarterly Indian Police Journal.

The BPR&D was set up in 1970 with the laudable objective of serving as a think tank for improving policing in India. Being a departmental adjunct to MHA, it never took off, leave alone deliver. Unlike the Defence Forces which have well established and well funded institutions like the Defence Research and Development Organisation (DRDO) which has research centres manned by thousands of scientists and technologists all over the country, the police department in India has nothing worth the name. In addition, there is the United Services Institute (USI), which was set up in 1870 by ourerstwhile British rulers and serves as a think tank for national security and defence preparednesst. Similarly, the Institute for Defence Studied Analysis (IDSA) is a well-oiled and funded statutory think tank which brings out articles based on the institutional memory

of Defence Service Officers. The police, however, remains tied down by archaic laws and regulations promulgated in British India Government time with no think tanks worth the name for policing which holds the key to internal security. But there are signs that the GOI is finally waking up to the need for getting the BPR&D back on track and it has been allocated funds and resources for conducting time bound research in critical areas of policing. “Der aaye durust aaye”.

Recently, a seminar organised at the prestigious Nehru Centre, Mumbai, dedicated to analysing historical perspectives of governance in Independent India through interactions of individuals of proven credentials organised the concluding seminar on internal security in its entirety. The concluding seminar analysed the Impact of Governance and Justice Delivery System on Internal Security as below :-

“It is necessary to do so because, during the past three decades, several issues developed into internal security concerns because of the failure of governance or because of a tardy justice delivery system. There would have been no ‘Operation Blue Star’ if the government had acted in time and checked the activities of one individual and his cohorts. If the Ram Janambhoomi case, which started in 1950, had been dealt with the dispatch it deserved and the government had discharged its constitutional obligations, the Babari Mosque would not have been demolished. Both are watersheds in the history of independent India which alienated sections of the people and left a permanent scar on India’s secularism. Naxalism too is the result of absence of governance in tribal areas. These are some of the security challenges emanating from within that India faces. In spite of such bitter lessons, governance continues to be elusive and the justice delivery system sluggish. It is also to be remembered that it is not the severity of the punishment but the certainty of it which deters the trouble-makers:”

The Role of Police Leadership

That be so, police leadership itself has to address the anomalies, contradictions generated by a greatly diverse society like ours to perform its duties. Our Police is tasked to keep the fabric of such

a society intact irrespective of relative insensitivity to the subject shown by the powers that be in the States and the Centre. The glaring example is non implementation of meaningful Police reforms recommended 37 yrs ago.

Fortunately, the governance system of policing we have provides ample leg room for the unit commanders in the states. Within the given structure of rule and regulations the police manuals envisage the duties, responsibilities and procedures required to be adopted for effective policing. The police leadership can evolve to meet the emerging challenges by utilising the main propellant of these changes like information technology, audio visual aids artificial intelligence etc.

Public- private partnership has chipped in happily to help policing in some states. It has been possible where unit commanders have roped in various sectors of the society actively. Interaction with the society unlocks immense societal resources and generates good will. The mutual trust deficit is covered & both the partners to develop better understanding about each other, their respective areas of strength & weaknesses. Active NGOs lend much help in proactive policing. Municipal, Revenue & Judiciary are very important partners in progress. Our needs have to be projected & their co-operation sought. It can be stated that the pace of change in the Judicial system is far from commensurate with the change taking place elsewhere.

[The great Police doyen, the late Shri KPS Gill, addressing a group of senior police officers once observed that only people desiring a better policing & bringing about a change in its system are police leaders & they are the ones who should get going.

What Ails the System?

First, we need to look within to introspect. We ape the rank structure of the Army but never inculcate the core essence of Regimental Pride which motivates soldiers to lay down their lives for the motto of the regiment. Unit Commanders in the army do not try to reinvent the wheel, they carry forward the good work & the systems followed by their predecessors. In districts which are units, the new SPs tend to reinvent the methods of policing when they take over the charge. The main resource of the unit is its given man

power. With every change of commander they expect a new shock of differently run method of policing. Such a mindset can neither synergise a forward movement nor inculcate a unit pride like the Regimental pride. The practice of a HANDING OVER note & its follow up is missing. I am not sure how many of us have looked into this disuse which can be a very potent source of accountability and a resource maximising device.

Better communication between the men and their leaders

The force should not live with uncertainty. It should have a sense of belonging and that can be ensured through better communication between the men & the leaders. Transparency in administration & availability of a tool to ensure it in the hands of the men can bridge a lot of mutual credibility & trust deficit, which prevails unfortunately due to a shroud of secrecy erected by Babudom. For even knowing the stage of their leave, expected promotion, stage of redressal of their grievance(s) they feel at the mercy of the concerned clerical hand. Unit commanders do issue orders but a systematic follow up is lacking. At times paucity of time & pressure created by inherent jerk inputs disturb the planning efforts.

The Use of Technology

Use of technology to ensure these legitimate requirements of the men & officers can be & has been met in some units. Pune for one has taken the lead. App created by the CP & his team assisted ably by an IT company is enclosed. It has inculcated a sense of fair play & satisfaction in the Force. Every member can download the App on his mobile phone & can see even his service sheet apart from other aspects of his record. It is an interactive App & its use not only empowers the force but saves precious time required for other pressing engagements. Transparency of the unit system enhances commitment & sense of belonging. The artificial veil of secrecy is pierced effectively. Sense of fair play increases devotion to work. All supervisory levels are integrated in the scheme thus making delegation of work effective. A separate Samadhan Kaksh (grievance redressal) office under one roof is the one window office in case any member

of the force wants to seek further clarification. Interactive methods make each member of the course an owner of the vision. The daily Police Gazette is beamed simultaneously to whole Force. Any new policy decision or change in method of working is shared & every policeman can opine/add value to such proposed change. Outreach to all segments of society is also ensured. There are different Apps created for ongoing communication for the interested citizens.

Without the use of IT sector it would not be possible. Fortunately, the IT experts have responded very willingly. Personal efforts by officers at all levels have made this involvement & in this crusade the Commissioners of Police have led from the front. And that is the only way.

It is possible because of the passion & zeal of such officers, it is infectious and motivating the other levels.

Better Working Conditions

Working conditions is a major area requiring attention. In Mumbai all 94 Police Stations are functioning with 8hrs duty pattern. It has been possible by assiduous rationalising of the work of police personnel. Working conditions have to be looked into & improved as an ongoing exercise.

Simultaneously, the welfare of the force is looked at with matching fervour. The main concern of a police personnel is housing, health of the family & education of the children. In Maharashtra good Police public schools are functioning at 12 important places & their results are near 100% every year. Society has fully supported this mission. Cashless medical scheme is functioning for the police personnel & their families including their children & parents in the state. In housing also the success achieved is commendable.

Meticulously written Inspection notes of senior officers of police stations and offices of District Supdts. Of Police used to be a good source of improving policing at the local level, but over the years these have become perfunctory and lost sight of, thanks to the overloading of our civil police forces with extraneous duties like VIP security, courts attendance and serving of sermons etc.

Thus continuous introspection; effective grievance redressal tools, meaningful welfare of the force; creative interaction with the society; defining matrix of each police function, transparency of administration; empowering the force & creating team spirit & ownership; removing the false shroud of secrecy of police working by opening up to the Society are effective practices. Information Technology & audio-visual boom has to be used to our advantage. This tool is available to all including the antisocial elements. It is a double-edged weapon, a genie which can be made to work for as is being done in some states like Telangana, Andhra Pradesh and Maharashtra, or by our enemies. Sensitising our own force and the society and being non secretive, in my view, is the way forward to bridge the huge existing gulf of mistrust between the two. The Bara Sahib mind set has to change to meet the future challenges & emerging shocks. New members joining the force are well educated & aware of their status. They are a thinking lot & that can be a tremendous tool for bringing about changes, provided their self-respect and financial needs to provide a decent life to their families is enhanced by the leaders. The change shall not come about tomorrow but that is the light I see at the end of the dark tunnel through which policing is traversing in our country.

Pay Commissions Over the Years

Defining Raj dharma

Article 42 of the Constitution of India enjoins upon the Republic to “make provision for securing just and humane conditions of work”, as Article 43 further directs that “the State shall endeavour to secure...to all workers - agricultural, industrial or otherwise a living wage, conditions of work, ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities”. Government of India has been constituting a pay commission at an interval of almost every 10 years to review and make recommendations on the wage structure of Central government civilian and armed forces employees and pensioners.

A peculiarly Indian institution

As the Fifth Central Pay Commission termed, “a peculiarly Indian institution”, the pay commission may historically be reckoned as a successor to the Royal Commissions set up during the British Raj such as the Aitchison Commission (1886-87) and the Islington Commission (1912-15).

A pay commission, not being a constitutional body, Government has considerable leeway for which part of the report to adopt, and in what time-frame. All Central governments have, in fact, been , sadly and inexplicably, making no attempt to carry out the changes in the administrative structure and practices suggested as integral components of recommendations made by the Pay Commissions, while implementing their ‘awards’ in terms of enhanced pay scales, allowances and perquisites for government employees.

Civil services in the British Raj: The earliest origins of civil service in India can be traced to the period after 1757, when the East India

Company were the de facto rulers in parts of India. The Company started the Covenanted Civil Service, whose members had to sign covenants with the Company's board. Following the nomination by the Company, they were sent to India after their training at Haileybury College in London. Warren Hastings made the first attempt to separate administrative and commercial branches; he appointed European collectors and created nucleus of civil services which were consolidated and systematized by Cornwallis who Europeanised the services.

Genesis of Indian Civil Service: Following the revolt of 1857, when the rule of the Company ended, and power was transferred to the British Crown, the service came to be called, after 1886, the Imperial Civil Service, later christened the Indian Civil Service. The Indian Civil Service (ICS), for part of the 19th century officially known as the Imperial Civil Service, was the elite higher civil service of the British empire in British India during the period 1858-1947. At first, around a top thousand members of the Service, known as "Civilians", were British. In 1947, there were 322 Indians and 688 British members; most of the latter left in the wake of the partition.

ICS at the time of the 1947 partition

Divided between the new Dominions of India and Pakistan, the part of the Indian Civil Service going to India was named the Indian Administrative Service (IAS); the other part in Pakistan was named the Civil Service of Pakistan (CSP).

In 1947, there were 980 ICS officers. 468 were Europeans, 352 Hindus, 101 Muslims, two depressed classes/Scheduled Castes, five domiciled Europeans and Anglo-Indians, 25 Indian Christians, 13 Parsis, 10 Sikhs and four other communities.

Among the few British ex-ICS officers who stayed on for the ensuing quarter-century notably included those from the "judicial side" of the ICS. The last British former ICS officer from the "judicial side" serving in the subcontinent, Justice Donald Falshaw (ICS 1928) retired as Chief Justice of the Punjab High Court (now the Punjab and Haryana High Court) in May 1966. J P L Gwynn (ICS 1939), the last former ICS officer holding British nationality and the last to

serve in an executive capacity under the Indian government, ended his Indian service in 1968 as Second Member of the Board of Revenue, but continued to serve in the British Home Civil Service until his final retirement in 1976.

Justice William Broome (ICS 1932), a district and sessions judge at the time of Independence, remained in Indian government service as a judge. Having married an Indian, Swarup Kumari Gaur, in 1937, he eventually renounced his British citizenship in 1958 and became an Indian citizen. Upon his retirement on 18 March 1972 from the Allahabad High Court as its seniormost puisne judge, Broome was the last former ICS officer of European origin serving in India.

Nirmal Kumar Mukarji (ICS 1943) from the final batch recruited to the ICS retired as Cabinet Secretary in April 1980.

The last former ICS officer to retire was Aftab Ghulam Nabi Kazi, as Chairman of the Pakistan Board of Investment in 1994.

The initial organisational and salary structure

After the 1857 revolt, the pay scales for civil services were drawn up. Assistant Commissioners started in their early twenties on around £300 a year. The governorship of a British province was the highest post an ICS officer could aspire for. The Governors at the top of the pyramid got £6,000 besides allowances. All ICS officers retired on the same yearly pension, of £1,000. In the first decades of the 20th century, the difference in salaries and emoluments was indeed striking: while 8,000 British officers earned £13,930,554, as many as 130,000 Indians in government service were collectively paid a total of £3,284,163!

With the enactment of the Indian Civil Services Act, 1861, the examinations for Indian Civil Service were initially conducted only in London. Maximum age was 23 years, minimum 18 years; the age limit reduced to 21 in 1866, and further lowered to 19 by Viceroy Lord Robert-Bulwer Lytton. Prior to India's independence, superior police officers belonged to the Indian (Imperial) Police appointed by the Secretary of State through competitive examination, the first open competition for the service held in England in June 1893, when 10 top candidates were appointed as Probationary Assistant

Superintendents of Police. Entry into Imperial Police was thrown open to Indians only after 1920; the following year examinations for the service were conducted both in England and India.

The syllabus was so designed that European classics had a predominant share of marks, which made it difficult for Indian candidates. The first Indian to enter the ICS was S.N. Tagore in 1863-64. Till 1871, three Indians were selected: S.N. Banerji, (who was removed from services for technical reasons), R.C. Dutt, and Bihari Lal Gupta, all three from Bengal. The Statutory Civil Service, carrying lower status and lower salary, was introduced in 1878-79 by Lytton; 1/6th of the total vacancies were to be nominated from high status Indian families.

The earliest commissions for public services

Set up by Lord Dufferin in 1886 under the chairmanship of Sir Charles Umpherston Aitchison to come up with a scheme for fulfilling the claims of Indians to higher and more extensive employment in public service, the Aitchison Commission (Public Service Commission) recommended in its report submitted in 1887 that the two-tier classification of civil services into covenanted and non-covenanted should be replaced by a three-tier classification - Imperial, Provincial and Subordinate Civil Services; certain percentage of posts in the Imperial Civil Service be filled by promotion of the members of provincial civil service. These recommendations were accepted and the covenanted civil service came to be known as Civil Service of India. The Provincial service was called after the particular province.

In due course, the 10-member (including three Indians) 1912 Royal Commission on Public Services in India, also known as the Islington Commission, was required to examine, inter alia, the Indian demand to increase the number of Indians in the higher civil services and holding simultaneous examination in India. The Commission completed its report in 1915, which, owing to the outbreak of World War I, was not published until 1917.

The Commission divided higher services into four groups: (i) the services to be recruited exclusively in British India; (ii) members of the Indian Civil Service and Indian Police Service were to be

recruited primarily in Britain, though some recruitment would be made in India too for the first time; (iii) for services such as education, medical, public works, engineering, etc., recruitment be made partly in Britain and partly in India; and (iv) recruitment be done both in Britain and India for certain scientific and technical services. It did not support the idea of a sudden shift from nomination to competition, suggesting that 75% of the ICS officers be recruited in England by open competition, the remaining 25% in India by nomination with due representation of various communities.

Initial formal salary regime: Based on an analysis of salary structure of various categories of civil servants, the Islington Commission made specific recommendations for higher levels of pay for Europeans than for Indians for the same service, in view of their higher standard of living and also to attract Englishmen to the services. It suggested that the services be reorganised into higher and lower branches on the basis of work, not on the basis of race or any other distinction. Except the ICS, all civil servants, once promoted from a lower to a higher service, should enjoy equal benefits and should be treated identically with those directly recruited and should be considered as full members of the service.

In 1908, a committee presided over by Sir James Meston examined the pay and prospects of clerks in the Government of India secretariats and certain other offices. In view of the cost of living and the need for attracting proper type of men, the Committee fixed the initial monthly pay for first division clerks at Rs. 140, and Rs 60 for the second division clerks, with the maximum at Rs. 200, adding personal allowance of Rs. 25 or Rs. 50 after the 28th and 30th year of service.

Referring to Registrars and Superintendents, the Committee observed that, “It is a matter of high importance that both these classes of officers should be liberally paid”. It accordingly suggested Rs. 800 for the Registrar and three grades of Rs. 500 Rs, 600 and Rs. 700 for superintendents. It recommended that they should be granted gazetted officers’ status.

Rising nationalist aspirations: The Islington Commission simplified rules and rationalised allowances of different categories

of services. Aspirants for the services recruited wholly in India were to carry equal salaries in accordance with Indian conditions; Indian candidates recruited in Europe were entitled to the same benefits as the Europeans. It also suggested separate leave rules for Europeans and Indians. Revision of pay scales was to take place on the basis not only on the general rise in prices but also on racial grounds. Indians, of course, resented racial discrimination introduced into the salary structure and wanted equal pay for equal work.

Evolving structure of British India civil services

The recruiting and controlling authority of Imperial services was the Secretary of State; for Provincial services, it was the respective provincial government, which framed rules for them with the approval of Government of India. With the passing of the India Act 1919, the Imperial services were split into two - All India Services and Central Services, the latter concerned with matters under the direct control of the Central government.

The All India and Class 1 Central Services were designated as Central Superior Services as early as 1924. From 1924 to 1934, administration in India consisted of 10 All India Services and five central departments, all under the control of Secretary of State for India, and three central departments under joint Provincial and Imperial control.

With Lord Arthur Lee of Fareham as Chairman and equal numbers of Indian and British members, the Lee Commission was appointed by the British government in 1923 to consider the ethnic composition of the superior Indian public services of the Government of India. The Lee Commission proposed in 1924 that 40% of future entrants should be British, 40% Indians directly recruited, and 20% Indians promoted from the provincial service.

Indianisation of the police service continued to be slow despite pronouncement and recommendations of the Islington Commission and the Lee Commission. Till 1931, Indians were appointed against 20% of the total posts of Superintendents of Police. However, because of non availability of the suitable European candidates,

more Indians were appointed to the Indian Police from the year 1939 onwards.

British India Government started the Imperial Forest Department in 1864. To organize the affairs of the imperial forest department, Imperial Forest Service was constituted in 1867. From 1867 to 1885, officers appointed to Imperial Forest Service were trained in France and Germany. In 1920, it was decided that further recruitment to the Imperial Forest Service would be made by direct recruitment in England and India, besides by promotion from the provincial services in India. After independence, the Indian Forest Service was created in 1966 under All India Services Act, 1951.

Mile-posts for independent India's pay commissions

The recommendations of the Islington Commission served as guidelines for classification and pay scales obtaining in India at the time the First Central Pay Commission was appointed in 1946. The Commission had been tasked to examine and report on the conditions of service, salary, leave and pensions governing the Indian Civil Service and other civil services (Imperial and Provincial). It disapproved the graded system of remuneration then in vogue and, instead, recommended the substitution of an incremental system, adding that no increment be given as a matter of right. It suggested “separate scales be fixed for separate groups of officers in each department, and process of selection to take place before an officer can pass from one scale to another or from any scale into a selection post”.

When the economic crisis of 1929-30 set in, certain percentage cuts were made in the salaries of most public servants for four years. To protect their employees against the hardships caused by the rise in prices during World War II, Government sanctioned, about the mid-1940s, a scheme of grain compensation allowance for their lowest paid employees. With prices continuing to rise, it replaced the grain compensation allowance scheme by dearness allowance (DA) with effect from 1 August 1942. The country was divided into three areas (A, B and C) in accordance with the difference in the cost of living. Towns which showed a marked rise in cost of living were upgraded.

Post-independence Central Pay Commissions

Given below is a bird's eye-view of successive pay commissions set up by Government of India, indicating some of the salient suggestions made by the last seven Central Pay Commissions (CPCs).

Central Pay Commissions								
Pay Commission	Chairman	When set up	When report submitted	Minimum salary recommended (Rs)	Maximum salary (Rs)	Compression Ratio**	Increase at the minimum salary level: (%)	
1934 scales	---	---	---	-10	---	---	---	---
First	Srinivasa Varadachariar	January 1946	May 1947	55	2,000	1:36.4	---	---
Second	Jagannath Das	August 1957	June 1959	80	3,000	1:37.5	Second CPC	14.2
Third	Raghubar Dayal	April 1970	March 1973	196	3,500	1:17.9	Third CPC	20.6
Fourth	P.N. Singhal	June 1983	Three phases in four year: 1985	750	8,000	1:10.7	Fourth CPC	27.6
Fifth	S. Ratnavel Pandian	April 1994	January 1997	2,550	26,000	1:10.2	Fifth CPC	31.0
Sixth	B.N. Srikrishna	July 2006	24 March 2008	7,000	80,000	1:11.4	Sixth CPC	54.0
Seventh	Ashok Kumar Mathur	February 2014	November 2015	18,000	2,25,000			
2,50,000*	1:12.5	Seventh CPC	14.3					

*For Cabinet Secretary, Chiefs of Army, Navy, Airforce, CAG. Rs 4.5 Lakh/month recommended for chiefs of Regulatory bodies, e.g., RBI, SEBI, TRAI, IRDI.

First Pay Commission (CPC-I)

By a Resolution dated 3 July 1946, civilian government servants whose pay was charged to the Defence Service estimates were also brought within the scope of the Commission's terms of reference. Again, a letter of 6 November 1946 from the Finance Department communicated to the Commission the desire of the Home Department to consider pay scales for the proposed new Indian Administrative Service and the Police Service. Similarly, a letter dated 23 November 1946 from the Department of Education asked for

advice of the Commission in regard to the fixation of scales of pay for the Principal and Vice Principal of the central training colleges. By another letter dated 30 November 1946, the External Affairs Department asked for proposals from the Commission in respect of a basic scale of pay for the proposed Indian Foreign Service.

The idea of “living wages” adopted by CPC-I appears to have been drawn from the Islington Commission report, which observed, “...that in no case should be a man’s pay be less than a living wage”.

CPC-I submitted its report in May 1947 to the Interim Government of India, formed on 2 September 1946 from the newly elected Constituent Assembly, for assisting the transition of India from British rule to independence.

The minimum basic monthly pay for Class IV staff was raised from Rs. 10 to Rs. 30, and for Class III from Rs. 35 to Rs. 60, fixing minimum wage at Rs 55 (Rs. 30 plus Rs. 25 as Dearness Allowance) for Class IV employees, and Rs 60 for Class III.

- The pay scales prescribed by the Commission replaced the 1934 pay scales, then in vogue.

It recommended that the age of retirement in future should uniformly be 58 years for all services.

- Government took a decision in 1949, not to change the age of retirement.
- Effective from 1 April 1938, the retirement age for all Central government employees was uniformly fixed at 55 years, which continued till 30 November 1962.

The scale of pension was suggested to be 1/80 of the emoluments for each year of service, subject to a limit of 35/80 with a ceiling of Rs. 8,000 per year for 35 years of service, which the Government of India, while accepting the recommendation, raised to Rs. 8,100, yielding a monthly pension of Rs. 675 at the maximum.

CPC-I recommended that the maximum salary of public servants in India for a few selected posts be, as a first step, fixed at Rs. 2,000 per month.

- The scale of Rs. 1,800-2,000 was intended for the heads of the biggest departments and would normally be the highest point which a permanent civil servant could reach in his/her service.

The highest paid posts like those of Secretaries, General Managers of Railways, Members of the Railway Board, Members of Central Board of Revenue, Chairman and Members of the Union Public Service Commission should be fitted into scales between Rs. 2,000 and Rs. 3,000 preferably on four levels of Rs. 2,250, Rs 2,500, Rs. 2,750 and Rs. 3,000.

CPC-II

Set up in August 1957, CPC-II was also necessitated by the country's partition, and the need to restructure the bureaucracy accordingly.

The Commission held that the pay structure and the working conditions of the government employees should be designed in a way so as to ensure efficient functioning of the system by recruiting persons with a minimum qualification.

The minimum wage or salary should not be determined only on economic considerations, but should also satisfy social tests.

- The Commission found that a diet to provide 2,600 calories and other nutrients of the requisite order would cost Rs. 52 per month for a family of three consumption units. Adding the requirements of clothing, housing, etc., a need-based minimum, permissible within the limits of the country's output of foodstuffs, would cost about Rs. 80.

It maintained that the social position which a Government servant is traditionally expected to maintain should not in itself be a factor in the determination of his remuneration. The then minimum of Rs. 75 was considered sufficient to attract recruits of the right type.

- The minimum remuneration of Rs. 75 in Central government compared favourably with the average minimum rate in organized private industry.
- The Commission revised the pay scale by merging 50% of the dearness allowance with basic pay, and recommended Rs. 80 as

the minimum monthly remuneration (basic pay Rs. 70 plus DA Rs. 10) payable to a government employee.

- A need-based minimum wage of the order of Rs. 125 per month proposed by the employees was not considered feasible, economically and financially.

Dearness allowance should continue as a separate element in the remuneration of Central government employees. It should, however, be limited for the present to employees with salaries below Rs. 300 per month.

- There should not be automatic adjustment of dearness allowance with the price index.

CPC-II did not recommend any change in the highest salary rates implemented on CPC-I's recommendation, that is, a ceiling of Rs 3,000/month for the highest appointments on the civil side as well as in Defence Services. (In September 1965, a Secretary's pay was increased to Rs 3,500).

The Commission recommended the age of retirement in Government to be raised to 58 years.

- After considering the recommendation in 1959, and again in 1962, Government decided to raise the retirement age to 58 years wef 1 December 1962.

CPC-III

Going beyond the idea of minimum subsistence that was adopted by the CPC-I, the Third Commission added three concepts of inclusiveness, comprehensibility, and adequacy for pay structure to be sound in nature. Pay fixation formula was also made more liberal.

- According to it, the true test which the Government should adopt is to know whether the services are attractive, and to retain the people they need and, if these persons are satisfied with what they are getting paid.
- At the start of a career, the emoluments and other advantages under the Government should approximate fairly closely to what a person with similar qualifications, aptitude and training can obtain from a good employer in the private sector.

- Government as the dominant employer will have to take note of its dual role, both as employer and as the supreme authority responsible for the governance and development of the country.
- The Central government should formulate its pay policy having regard to the profound influence that the pay scales adopted by it exert on state governments, quasi-governmental institutions, etc.

While the Commission recommended a minimum remuneration of Rs. 185 per month, Government raised it to Rs. 196.

The starting salary in the Class I services, including the All India Services, should be Rs. 700 per month.

No change need be made in the present ceiling of Rs. 3,500 per month on the maximum salary under the Government.

The pay scale of the posts of heads of departments in the Central Services Class I deserved to be considerably improved, having regard to their duties and the span of responsibilities.

- While the scale of Rs. 2,250-2,500 should apply to the majority of the posts of heads of departments in these services in replacement of the existing scales of Rs. 1,800 to 2,250 and Rs 2,000-2,500, a minimum of 33 1/3% of the posts in these grades should be placed in the scale of Rs. 2,500 to 2,750.

Recruitment to all the Class I Central Services should be so regulated as to enable the officers in the junior scale to generally get promoted to the senior scale after completion of not more than 5 years of service.

- In respect of Group A Central Services, the present condition regarding stagnation at the maximum of the junior administrative grade of two years for promotion to the selection grade may be removed.

To provide relief to those who reach the maximum of their scale of pay one stagnation increment on completion of every two years at the maximum of the respective scales may be given. A maximum of three such increments may be allowed.

The Commission recommended that the then ceiling of maximum monthly pension should be raised from Rs. 675 to Rs. 1,000, and the maximum of the gratuity raised from Rs. 24,000 to Rs. 30,000.

CPC-III seems to have devoted considerable, in fact, disproportionate, attention to some of the perks like travel facilities that railwaymen get, delving into minute details about the eligibility of rail travel passes and privilege ticket orders, class of rail travel journeys, et al.

CPC-IV

Rs. 750 was the minimum pay recommended.

The Commission recommended that there should be a permanent machinery to undertake periodical review of pay and allowances of Central Government employees.

- In September 1993, Government, without agreeing to implement the above recommendation, promised to appoint a new Pay Commission (Fifth) to review the pay structure of Central government employees.

CPC-V

Certainly the most comprehensive report from the Fifth CPC among all CPCs', extending over 172 chapters divided in nine parts, it contained many valuable suggestions to help Government reform country's administrative framework, increase productivity and efficiency in governance.

CPC-V reported that, for the first time, it was tasked to examine the terms and conditions of Armed Forces personnel and to suggest changes which are considered desirable and feasible. It was also required to examine the structure of emoluments and conditions of service of the officers and employees of India's Supreme Court and the High Court of Delhi.

CPC-V submitted its First Report on 21 October 1994, recommending an interim relief at a uniform rate of Rs 50 per month for all pensioners/family pensioners.

- This relief was to be treated as a separate element to be set off against the retirement benefits to be finally recommended.

Recommending the grant of interim relief equal to 10% of basic pay, subject to a minimum of 100 per month, the Commission submitted its Second Report on 2 May 1995.

- Again, a further instalment of interim relief equal to 10% of the basic pension/family pension, subject to a minimum of Rs 50/month, was recommended.
- Its Third Report submitted on 2 August 1996 recommended further interim relief equal to 10% of basic pay, subject to a minimum of Rs 100 per month.

CPC-V cast a big burden on the exchequer, both at the Centre and in the states.

- The Central government's wage bill before the implementation of the Commission's recommendations was Rs 21,885 crore in 1996-1997, which also included pensionary dues; by 1999, it shot up by almost 100%, the burden on the exchequer jumping to Rs 43,568 crore in 1999-2000.
- With regard to the state governments, the wage bill went up by 74%: the state governments which paid about Rs 51,548 crore in 1997 as salaries had to pay Rs 89,813 crore in 1999. About 90% of the states' revenues went out as salaries. As many as 13 states were unable to pay increased salaries to their employees, compelled to seek help from the Central government.

CPC-V recommended that pay revision should, in future, be entrusted to a Permanent Pay Commission—drawing its authority from a constitutional provision—the recommendations of which, made annually, should have a binding character.

The minimum starting pay was revised from Rs. 750 to Rs. 2,550.

It recommended to reduce the number of pay scales from 51 to 34.

The services were classified into Groups A, B, C and D. On

the suggestions made in a Tata Consultancy Services study on the restructuring of government that the status-based classification be changed to function-based, the Commission desired classification into top executives (Secretaries, Special Secretaries, Additional Secretaries and equivalent), senior executives (Joint Secretaries, DIGs and equivalent), executives (all others in Group A), supervisory personnel, supporting personnel and auxiliary personnel.

- The Commission took special steps to ameliorate the conditions of Group A Central Services. Uniform career prospects in all services being a distance objective, the best option was to go for a model cadre structure. The distribution of posts at different levels had been laid down as in the accompanying table.
- All posts of Directors General of Police in the states were uniformly fixed in the pre-revised scale of Rs 7,600- 8,000.
- Although the IIPA had suggested a pre-tax amount of Rs 36,000 for the Secretaries to Government at the Centre, the Commission suggested a figure of Rs 26,000.
- The Commission gave a four-grade structure to auxiliary staff under the new dispensation.
- The pejorative appellations such as of khalasi or unskilled worker were done away with, replaced by more graceful designation of shramik.
- In the Group C scales, an attempt was made to give a better deal to the artisan category, by amalgamating the scales of pay of highly skilled I and II.
- It recommended that the distinction between gazetted and non-gazetted officers in government should be abolished.

Based on a study to the Institute of Applied Manpower Research who examined the retirement pattern in Government services, the Commission recommended the age of superannuation to be increased to 60 years of all employees, except for personnel of COPs and armed forces.

It was desired that bonus should be linked to productivity, and not to production.

CPC-VI

Notwithstanding initial reluctance of the Government to set up the Sixth Pay Commission to review the pay and allowances of Central government employees in view of 50% of the dearness allowance having been already merged with the basic pay, the Cabinet approved the setting up of the Sixth Pay Commission in July 2006, which came to be constituted on 5 October 2006.

For the first time, the Commission recommended running pay bands for civilian employees as well as for the defence forces.

- CPC-IV had recommended running pay bands for defence forces that were implemented.
- CPC-V, however, recommended specific pay scales for civilians as well as defence forces personnel.

CPC-VII

The Commission observed that the purpose of pay was to compensate the employees for work done, to motivate them to perform well, also to attract talent to government service and retain them, thus avoiding the need for expensive recruitment and training for replacement.

CPC-VII evolved a fresh approach by merging the grade pay and pay bands into distinct pay levels.

It accorded slightly higher index of rationalisation at level of senior administrative grade and above, noting that government employees are entitled to a host of tangible and non-tangible benefits—from job security, inflation-indexed salary, assured prospects of financial progression—to name a few.

It adopted the need-based minimum wage formula for designing the pay matrix, together with the need to create a culture of performance in government, promoting people based on performance.

While fixing minimum monthly pay at Rs. 18,000 vs Rs. 6,600 under CPC-VI (revised by Government to Rs 7,000), it recommended pay of Rs 2,50,000 for Cabinet Secretary and Chiefs of Army, Navy and Air Force, and CAG. (It was Rs. 90,000 under CPC-VI).

Regulatory body chiefs to get Rs. 4.5 lakh per month.

The annual increment was retained at 3%; grade pay, pay bands abolished.

Ceiling on gratuity doubled to Rs 20 lakh; ceiling to go up by 25% when DA rises by 50%.

It recommended that all the non-performers in the system should be phased out after 20 years of service.

- It introduced performance-related pay for all categories of Central government employees. The proposed scheme would subsume the existing bonus schemes.

Rationalising a plethora of allowances, the Commission abolished 53 allowances, while 36 allowances were subsumed in existing allowances or in newly proposed allowances.

- Risk and hardship allowances were raised sharply, with biggest hike in allowances for soldiers posted in Siachen: from Rs 21,000 to Rs 31,500.

The Commission recommended a revised pension formulation for civil employees including CAPF personnel and defence personnel, who retired before January 1, 2016 in order to bring about complete parity of past pensioners with current retirees.

- (i) All the personnel who retired prior to 1 January 2016 (expected date of implementation of CPC-VII's recommendations) shall first be fixed in the pay matrix being recommended by this Commission, on the basis of the pay band and grade pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he/she had earned in that level while in service, at the rate of 3%. 50% of the total amount so arrived at shall be the revised pension.
- (ii) The pension, as had been fixed at the time of implementation of CPC-VI's recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.
- Pensioners may be given the option of choosing whichever formulation is beneficial to them.

- Since the fixation of pension as per formulation (i) above may take a little time it is recommended that, in the first instance, the revised pension may be calculated as at (ii) above, and the same may be paid as an interim measure.
- In the event calculation as per (i) above yields a higher amount, the difference may be paid subsequently.
- One-rank-one pension (OROP) recommended for Central government employees and para-military personnel.
- CPC-VII introduced a health insurance scheme for Central government employees and pensioners to replace the current Central Government Health Scheme (CGHS); insured amounts in group insurance raised up to Rs 50 lakh; premium deduction to rise correspondingly.
- CPC-IV had also suggested that feasibility and modalities of an insurance scheme for government employees in lieu of medical reimbursement be considered.
- CPC-VI too recommended introduction of a health insurance scheme for Central government employees and pensioners.

Some salient points that deserve serious consideration

The way the recommendations of the seven successive Pay Commissions have been effected by the respective Central governments tantamounts to a travesty of the basic principle of equitably balancing entitlements and duties. The country's economy has had to withstand the jolt of a double whammy; while generously loosening its purse strings for its employees, Government has been failing to implement the Pay Commissions' integral suggestions and recommendations towards productivity and efficiency in administration.

Much like the Committee of Chief Ministers on Transformation of India's Agriculture (July '19) have pitched for Central government to link grants and allocations made to the states by the Finance Commission with reforms in the agricultural sector, it enjoins upon the Government that increases in emoluments and facilities granted on CPC recommendations are viewed as an integral component of

specified reforms and measures to improve productivity, efficiency and economy in administration. CPC-IV emphasised, “...Government can, and should, forge stronger links than are prevalent now between the performance of a government employee and the pay he draws...”.

Obviously aware of how Governments have invariably been brushing under the carpet CPCs’ suggestions conducive to reforms for governance, CPC-V explained its overarching strategy to “first decide what we are going to do with our bureaucracy, its size, efficiency, productivity, effectiveness and accountability before we take up the question of what it should be paid”. The Commission specifically desired its report to be “implemented as an integral whole, in its entirety, as a complete package.” Instead, only deceitful cherry picking was done, burying all its eminently sensible recommendations, such as a 30% reduction in government jobs over a period of 10 years; reducing the number of Secretary level posts from the then 90 to 30; abolishing the then 350,000 vacant posts; encouraging selected employment on contract; making the structure horizontal; functional multi-skilling; pruning the current 5-6 administrative layers to not more than two; rationalising the holiday regime; reverting to a six-day working week, etc.

Governments have often been more generous than what the recommendations of the pay commission implied. Some states have gone even beyond those levels resulting in the rise of emoluments of the employees beyond what is warranted by their capacity to pay. CPC-V did not suggest as steep a hike in salary scales as by 40% that the Central government, wilting under the staff union strong arm tactics, pushed it up.

Stonewalling lateral entry in senior bureaucracy: India has remained hooked to a culture of inexperience in governance. James Ball and Andrew Greenway depict in their book, *Bluffocracy*, “In a nation run by people whose knowledge extends a mile wide but an inch deep; who know how to grasp the generalities of any topic in minutes, and how never to bother themselves with the specifics”, who know a little bit about everything, and an awful lot about nothing!

CPC-III had advised that “Persons outside the Government, who have gained experience in various avocations or who possess specialized qualifications relevant to the tasks in hand, should be inducted into the middle management levels of the civil services.... Suitable serving officers should also be considered to compete with the outsiders for the vacancies set apart for being filled by direct recruitment”. CPC-VI too suggested, “...introduction of contractual appointments for selected posts, particularly those requiring high professional skills”.

It is only now that Modi sarkar has initiated the process to induct some external specialists with domain knowledge at the Deputy Secretary/Director level at the Centre, in addition to nine such specialists already selected by UPSC at Joint Secretary level. For so long, Governments have been inexplicably remiss in implementing CPC recommendations to enable lateral entry of technocrats, professionals and entrepreneurs. Attempts sporadically made to permit lateral entries appear to have been stonewalled by entrenched hegemonic elements in senior bureaucracy who rule the roost.

Distortions in labour market: Today, there is ever growing clamour for sarkari naukari in the country; crores of applicants, including hundreds of Engineers, MBAs and PhDs, applying for miniscule number of even entry level government jobs in railways, police, etc. Besides all else, the situation has assumed perilous dimensions: highly qualified recruits have no interest in doing low level jobs; there emerge basic disciplinary problems, in addition.

A government employee is uniquely entitled to a host of tangible and other benefits - lifelong job security, effectively turned into unwholesome protection under Article 311 of the Constitution, liberal pension for self/spouse, subsidised government accommodation or house rent, inflation-indexed salary, medical and leave entitlements, and myriad location and function-specific allowances.

An IIM, Ahmedabad study done at instance of CPC VII found the lowest ranked government employee earned monthly emoluments of Rs 22,579, more than twice those of a private sector counterpart. As on 1 January 2015, the minimum pay for the lowest tier unskilled government employee was Rs 14,910 vs a private

sector skilled worker's wage in the range of Rs 9,000-11,000. If house rent, transport, and educational allowances alone are added (without counting value of leave, pension, etc.), the lowest ranked government employee's monthly emoluments totalled Rs 20,870. The disparity between salaries of government employees and those in corresponding private sector further worsened by CPC VII granting increased minimum basic pay of Rs 18,000. All this, when government offices work for just about 180 days in a year!

Infusing habit of hard work: The work culture in government establishments has as a rule been notoriously bureaucratic and slothful. There are far too many holidays and leave entitlements in government establishments. Like a plethora of allowances, many of them bizarre and archaic, that CPC-VII enumerated, it also analysed myriad leave entitlements for Government employees, also their potential misuse.

CPC-I had observed that "early steps be taken to review the staff strength required in each office or department". It also desired that "every effort be made to increase the total number of working days... The dislocation of work caused by communal holidays might be remedied by slightly increasing the number of casual leave days, if necessary, communal holidays being abolished altogether".

Similarly, CPC-II observed that "working hours of office staff are on the low side and an increase would be justified, but an attempt should first be made to obtain better output within the present hours"

The recommendation of the CPC-VII affecting the armed forces became a cause of profound unease and resentment in the armed forces, especially regarding separate 'Pay Matrices', and allowances for the armed forces and defence civilians, and police, and other civil servants. While the Commission provided for a mandated timescale promotions to Defence civilians from the audit, accounts services, police, and other officers at regular intervals of 4, 9, 13, 14, and 16 years of service, it did not extend to Armed Forces officers. The implementation of CPC-VII recommendation made time scale police officers and defence civilians, with lesser service and experience, senior to Armed Forces officers.

Avoiding any suspicion of undue influence: Most of the CPCs have had their Secretaries/Member Secretaries from Indian Administrative Service. It is on record how one of its Members, tracing his lineage from IAS, strongly dissented from the rest of the CPC-VII on most matters pertaining to important considerations impacting senior levels in civil services, be it the subject of dispensing with the financial edge enjoyed by IAS and IFS, or review of the extant Central Staff Scheme guidelines, or the abolition of NFU at SAG and HAG level, the dissenting Member chose to remain obdurate.

It is essential for the IAS fraternity itself to consciously abjure the image that it dominates country's entire administrative domain, arrogating, as Chairman, Pay Commission-VII said, "to itself all power of governance", relegating "all other services to secondary position". Like Humphreys of Yes Minister, astute members of what now constitutes an omnipotent centre of power, the IAS cages every commission or committee; "processes" all reports and proposals, with little objectivity and transparency. As Jim Hacker rued in Yes Minister, the permanent officials force decisions the way magicians force cards on their audience in the three-card trick: 'Choose any card, choose my card'.

Vivek K. Agnihotri

Bills Pending in the Rajya Sabha:

*A Convenient Lapse of Memory?**

First the facts. On 21 June 2019, when the Rajya Sabha had its first full meeting after the formation of the 17th Lok Sabha, His Excellency, Shri Venkaiah Naidu, the Vice-President of India, inter alia made the following observations from the chair:

“At the end of the last and the 248th session of Rajya Sabha, a total of 55 Bills were pending consideration in this House. After the lapsing of the 22 Bills that were referred to earlier, the pendency in this House now stands at 33 Bills. Three bills are pending for more than 20 years, six bills are pending between 10-20 years, 14 bills are pending between 5-10 years and 10 bills are pending for less than 5 years. The oldest pending bill, The Indian Medical Council (Amendment) Bill, 1987, has been pending for more than 32 years. This is certainly not a happy situation...

“In order to streamline the process, I suggest that if a Bill is not taken up for consideration and passing in Rajya Sabha within five years of introduction of such Bills, such pending Bills should be treated as deemed to have lapsed.”

Prior to making this observation, the Chairman, Rajya Sabha, also made the following significant remark:

“Under the provision of Article 107 of the Constitution, Bills passed by the Lok Sabha during the course of its five year term and pending in Rajya Sabha get lapsed with the dissolution of the House of the People. Accordingly, 22 Bills passed by the 16th Lok Sabha and were pending in the Upper House got lapsed.

* An earlier version of this article was published in India Legal, dated 15 July 2019. Republished with permission and acknowledgement.

“In effect, Lok Sabha has to take up these 22 Bills again for consideration and passing. I am afraid it would take a minimum of two sessions for doing so. And this means that the efforts of Lok Sabha for passing these 22 Bills have been rendered waste. The Bills that got lapsed in Rajya Sabha were important from the socio-economic transformation of our country.”

These two observations, taken together, raise the following two major concerns. First, that a large number of bills are pending consideration in the Rajya Sabha, some of them for decades; which is not a happy situation. Second, some bills, which, after a laborious and time-consuming process, reach the stage of getting discussed and passed, lapse due to dissolution of the Lok Sabha and, therefore, have to be dealt with *de novo*.

The bills referred to as ‘pending in the Rajya Sabha’, are those bills which were introduced in the Rajya Sabha and have not ‘seen the light of the day’ thereafter, in a manner of speaking. In order to get to the root cause of such bills not being taken up for consideration and passage, we need to look into the governmental logic for introduction of a Bill in a particular house, that is, the Rajya Sabha or the Lok Sabha. All so-called ‘money bills’ (articles 109 and 110) are constitutionally mandated to be introduced in the Lok Sabha. All the other bills can be introduced in either house of Parliament. But, in the context of the persisting as well as current political scenario in the Parliament, the government of the day takes recourse to introducing in the Lok Sabha a bill, which is of great significance and of more immediate concern to the government of the day, since it is confident of getting it passed in the Lok Sabha on account of its majority there. Other bills, of a non-controversial nature, where the opposition could be expected to fall in line, in due course, may be introduced in the Rajya Sabha for the purpose of balancing government business between the two houses. Moreover, towards the end of the tenure of a Lok Sabha, the government pitches in for introducing bills in the Rajya Sabha, on account of its confidence that the Bill will not lapse on the dissolution of the Lok Sabha. Thus the government is able to flag its good legislative intentions, even though there is little time or possibility of getting the Bill passed by both the houses within the remaining tenure of the Lok Sabha.

Thereafter, for one reasons or another, namely, change in the government or lack of consensus on the subject or change in the situation which had led to the introduction of the Bill, these bills continue to be on the rolls of the Rajya Sabha because Rajya Sabha being a permanent body (it is never dissolved) the bills introduced therein do not lapse till they leave its portals and reach the Lok Sabha. The government often has convenient lapse of memory, and lets the sleeping dogs lie indefinitely. The remedy recommended by the Chairman, Rajya Sabha, is that all such bills should be deemed to have lapsed if they have been kept pending for over five years.

The Chairman, Rajya Sabha has, at the same time, expressed concern about the constitutional provision, namely, article 107, the relevant provisions [clauses (4) and (5)] of which read as follows:

“(4) A Bill pending in the Council of States which has not been passed by the House of the People shall not lapse on a dissolution of the House of the People.

“(5) A Bill which is pending in the House of the People, or which having been passed by the House of the People is pending in the Council of States, shall subject to the provisions of article 108, lapse on a dissolution of the House of the People.”

The ‘doctrine of lapse’, in respect of the bills introduced in the Parliament, enunciated in the provisions of the constitution aforementioned, in practical terms, implies that any Bill, irrespective of its origin, whether in the Rajya Sabha or the Lok Sabha, lapses, once it has touched the portals of the Lok Sabha. But there are exceptions, such as when a Bill passed by both the houses has been sent for obtaining the President’s assent or when the President has notified his intention to summon a joint sitting of the houses to consider a Bill upon which the two houses have finally disagreed (article 108) or when a Bill, introduced in the Rajya Sabha, is pending before a Department Related Parliamentary Standing Committee, serviced by the Rajya Sabha Secretariat.

Be that as it may, in both types of cases flagged by the Chairman Rajya Sabha, there is need for a “wider debate”. As far as the long-term pendency of the bills in the Rajya Sabha is concerned, the

suggestion of the Chairman, Rajya Sabha, that they should be deemed as lapsed after five years, is eminently workable. However, a better proposition would be that after the formation of a new Lok Sabha, the government should be mandated to reconsider the bills pending in the Rajya Sabha and the Minister for Parliamentary Affairs should be required to make a statement in the Parliament about the government's strategy in respect of those bills, that is which of them would be withdrawn, which would be pursued in their existing form and which others would be replaced by a new Bill. In the event of the government failing to make such a statement within, say six months of the formation of the new government, all the bills pending in the Rajya Sabha prior to the formation of the Lok Sabha shall be deemed to have lapsed.

The other concern voiced by the Chairman, Rajya Sabha, is of far greater import. It is about the 'indiscriminate' lapsing of the bills, whether pending in the Lok Sabha or the Rajya Sabha, on the dissolution of the Lok Sabha, in view of clause (5) of article 107, aforementioned. The parliamentary legislative process, in the nature of things, is a long drawn-out one. Various stages through which a Bill has to necessarily go through, such as introduction, reference to the Department Related Standing Committee (which may involve consultations with stakeholders), and passage after discussion and debate, consume considerable time. The timeframe is further elongated on account of the fact that the Parliament, of late, has about 60 to 70 sitting days per year, spread across three sessions (viz. Budget, Monsoon and Winter). The way out would be to provide that a bill passed by the Lok Sabha, and pending in the Rajya Sabha at the time of the dissolution of the Lok Sabha, may continue to be discussed in the Rajya Sabha, but would need to be sent back to the new Lok Sabha for reconsideration. It may, however, be withdrawn or replaced by the government, with the permission of the House, at any time.

However, the changes proposed for both the eventualities mentioned above would require appropriate amendments to the constitution.

Of course, there is another way out, one which the government sometimes adopts. It issues a Presidential Ordinance (article 111) in respect of some of the bills (which have lapsed on the dissolution of the Lok Sabha) immediately after the new council of ministers is sworn in but before summoning the first session of the Parliament, after the general elections. Most of the time, conversion of such ordinances into acts of Parliament is a well orchestrated short cut to a pet legislative proposal. It thus circumvents the need for de novo navigating the tortuous legislative process.

The Waiting Game

Lapsed Bills in the Rajya Sabha include:

- The Land Acquisition Bills passed by the Lok Sabha in 2015
- Factories (Amendment) Bill passed in 2016
- The Motor Vehicles (Amendment) Bill, 2017
- The Consumer Protection Bill, 2018
- The Arbitration and Conciliation Bill, 2018
- The Companies (Amendment) Bill, 2019
- The Banning of Unregulated Deposit schemes Bill, 2019
- The Aadhar and Other Laws (Amendment) Bill, 2019
- Triple Talaq Bills of 2017 and 2018
- The Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2018
- The Citizenship (Amendment) Bill, 2019.

Bills pending in the Rajya Sabha include:

- The Constitution (79th Amendment) Bill, 1992
- The Provision of the Municipalities (Extension to the Scheduled Areas) Amendment Bill, 2001
- The Seeds Bill, 2004, The Pesticides Management Bill, 2011
- The Mines (Amendment) Bill, 2011, The Inter-State Migrant Workmen (Amendment) Bill, 2011
- The Indecent Representation of Women (Prohibition) Amendment Bill, 2012
- The Building and Other Construction Workers Related Laws (Amendment) Bill, 2013
- The Wakf Properties (Eviction of Unauthorised Occupants) Bill, 2014.

Source: Verbatim Debates of the Rajya Sabha dated 21st June 2019.

Prabhat Kumar

Public Service: Ethics in the time of Discontent*

Way back in the eighties, when I was a Joint Secretary in the Union Government, we used to look up with awe at some civil service luminaries who stood out for their intensity and radiance in administration. Lovraj Kumar, a transformational leader who came into the civil service from outside like IG Patel, LK Jha and DV Kapur, was one of them. He made signal contribution to the hydrocarbon and related sectors. About him, IMD Little, the celebrated British economist, wrote “Unlike many, (Kumar) was always optimistic about Indian development. He was always enthusiastic about the causes he embraced and over-enthusiastic about the merits of his ancient Daimler car to which he attributed improbable speeds. If he ever felt cynical about the motives of bureaucrats or politicians he did not show it. He was good at choosing advisers and staff, and few failed to succumb to his quiet personal charm and good humour”. One wishes that there were more like him today.

So I was pleasantly surprised when my old friend and colleague BK Chaturvedi asked me to deliver the Lovraj Kumar Lecture of 2018. Being aware of my own inadequacy to think, I was a little ambivalent in responding to BK’s offer. Bertrand Russell used to say that he had a habit of thinking once a week when most people do not think even once in a year. Fortunately, he did not say anything about bureaucrats for it would have been equally, if not more, disagreeable. So, like a weathered bureaucrat, I asked for time to respond hoping that he would take the cue and look for some more accomplished speaker. Sadly, he kept insisting. And that’s how I am here.

*Transcribed from 25th Lovraj Kumar Memorial Lecture, 22nd November, 2018

Relying on your indulgence, I would like to share my thoughts with you on the twin issues of discontent in and around the civil service and the ‘ethics of governance’. It would be appropriate to assert two caveats at the outset: one that I do not intend to cover the vast area of administrative or civil service reforms owing to my inherent inadequacy, and two, that Ethics Of Governance is different from Ethics In Governance, an issue to which I will come presently. Thus, we steer clear of the ideas of reforming the bureaucracy like ‘closing the shop’, ‘creating a fearlessly independent civil service’ to ‘diluting Article 311’ etc. and instead concentrate on getting rid of its discontents.

Popular discontent with the conduct of civil services being a universal phenomenon needs no elaboration. It is alleged that the citizen is asked to wait for his legitimate rights from the government, and he keeps waiting indefinitely. Common Cause, in one of its discussion papers, says. “It is not surprising that common citizens, harassed for decades, now have nothing but disdain, if not outright hostility, towards government and its officials”. The despicable moniker ‘Babu’ coined by the mainstream media connotes an average inefficient civil servant, who is frequently corrupt too.

The views of the political leaders about the bureaucrat are almost always negative. We can give scores of examples of the distrust between the political bosses and permanent civil servants which have affected the quality of administration in the states and resulted in open conflict in several cases. The recent case of a Chief Secretary of a state accusing the Chief Minister and the Deputy Chief Minister of an assault on him in CM’s residence highlights the relationship, which can at best be called ‘a wobbly equilibrium’. While the exact happenings of the midnight meeting may be known after completion of the judicial process, the incident raises pertinent questions about state building in an otherwise stable democracy.

The other, and more perilous, manifestation of civil service discontent is discernible in the increasing dilution of the integrity of institutions. Though nibbling at the state institutions started way back in the seventies, over the last two decades, we have witnessed faster weakening of institutional structure. Mrs. Gandhi subdued

the institutions but did not abolish them. “In retrospect, emergency was relatively mild and it did not last very long. Mrs. Gandhi proved to be at best a half hearted dictator”, says Andre Beteille. Whether current trend of encroaching on the institutions would be irreparable is to be seen.

As I started writing this paper, the unseemly mess in CBI happened as if to showcase the malady. The internal discontent of civil services has been appropriately exposed by the current untidy chaos in the Central Bureau of Investigations where a frightening sense of malfunctioning has been produced by individuals belonging to the same civil service.

It is tempting to take sides in the continuing spat between two top ranking bureaucrats in the CBI. And many of my colleagues are openly rooting for one or the other. The very fact that individual civil servants are beginning to consider themselves higher than the institution to which they belong shows that serious discontent has entered the services.

I am not unusually worried about the present mess in CBI, which as predicted by Meeran Borwankar is likely to boil over allowing the deep rooted institutional culture nurtured by the core of the organization prevail in the end. The Vice President also recently said that the ferment in institutions like CBI are ‘internal issues’ would be resolved by their internal self correcting mechanisms.

The culpability for the growing erosion of public institutions cannot in my view be put solely on the political executive. The mere occurrence of such incidents (and sadly, this is not a solitary case) shows that civil servants are increasingly showing contempt for the service in which they spend their life and one can no longer expect adherence to institutional ethics by them. The civil services or at least a significant part of the permanent bureaucracy has also contributed to the downhill slide of some institutions. Their meek submission, passive acquiescence, status-quoism and often active collaboration of ambitious bureaucrats with politicians have added to the mess. Such incidents may lead to increasing tremors in the structure of civil services and need ethical correction developed within the services.

Now, many public servants have expressed a sense of demoralization and a loss of prestige as the institution in which they were called to serve is one of the targets of abuse and ridicule. Within this context, it is a crucial time to revitalize the public service and reconstitute its professionalism and ethics. A common thread in the strategies suggested by various thinkers is a shift in focus from public servants in positions of authority to one in service. However, they either aim to increase or rely on the professionalism of public servants

It was no always like this. Some of us present today have been witnesses to a bygone era of internal systemic consistency in government's work.

In the beginning, there existed an internal harmony between the political masters and the civil servants in the initial phase of Indian Democracy. That phase started with Independence and continued roughly till the end of the sixties or the beginning of seventies. The internal harmony rested on a sense of mutual admiration and respect. Sardar Patel was perhaps echoing the sentiments of many political leaders when he eulogized the conduct and performance of the civil service in the Constituent Assembly.

The civil servant respected the political leader, whether in or out of power, for his leadership qualities and his influence on the masses cultivated and nurtured during the freedom struggle. The politician was aware of the needs of the people at the micro level, could identify with them and feel their pulse. He was pragmatic and purposeful.

The politician respected the civil servant for his impartiality, adherence to lawful authority, uprightness, integrity and knowledge of the subject. He could rely on the bureaucrat working under him for prudent advice and faithful implementation.

When the two started working together, it was expected that the respective roles would be defined and further refined. Intensifying democratic processes should have been accompanied by role definition, which unfortunately did not happen. Merely saying that 'the politicians take decisions and the bureaucrats advise and implement' was not enough. It left room for arbitrariness and sloth.

The vaguely defined rule of democratic supremacy of the political executive in decision-making unfortunately descended and permeated into the lower echelons of government, where the role of the civil servants was crucial to the implementation of the decisions taken upstairs.

Thus the synergy between the political executive and the permanent civil service that existed in the fifties and the sixties when the former was respected for his leadership and the latter was trusted for his impartiality and integrity has been largely eroded over the years. It has had a very deleterious effect on the quality of governance in the states and also in the central government. It has given way to mutual distrust and at times, even to open conflict. Nobody can hold a brief for either, but their relationship today is one of veiled distrust, if not open animosity.

I have seen the last days of this internal consistency between political masters and civil servants. Several instances come to my mind when career bureaucrats advised the ministers against their chosen course of action and their advice was heeded to. There are instances of the two sitting together and deciding on schemes and programmes for the people in the field. An elegant example of constructive cooperation between the two was the green revolution of the sixties. There were hardly any complaints of political favouritism or official corruption. District officers were not shifted at the behest of local politicians before or after elections. Political transfer of secretariat officers was unheard of. Almost invariably an honest and upright district magistrate was supported by the state government.

Then something snapped. It did not happen suddenly. It was the gradual introduction of temptation in governance. It was an extraneous impulse mainly from emerging trade and industry. The take off time of Indian economy heralded an era of greed. Soon we were in a no-holds barred, all stops pulled game of profits.

Trust turned into distrust, mutual respect into uneasy coexistence with perilous consequences for the working of a democratic government. The politicians and the bureaucrats together brought down the monolithic structure like a pack of cards.

Another consequence or by-product of the functioning democracy has been a total disappearance of civil service leadership. The civil servants have always been in a privileged vantage position thanks to their education, training and status to provide leadership to the people, but they failed to assume the leadership role. They failed to give voice to the needs of the people. Ensconced in the security of their employment, they confined themselves to carrying out the dictates from above rather than venturing to ameliorate the economic and social injustices faced by the under privileged and the exploited. The rare examples of such civil servants are labeled 'outsiders' by their colleagues and politicians alike. They are not liked.

On the contrary, we find public leadership emerging in other professions. As democracy progressed, leadership qualities emanated from the ranks of media persons, economists, social activists and businessmen. Today, they form the bulk of icons sought to be emulated by the youth. Hardly any civil servant is included in the list of such icons. Whether therein lies a fair lesson for the future civil servants is a matter of some deliberation among them.

I believe that within the larger crisis of governance, there is a smaller crisis of the civil services that has been gathering over decades in our country. It is a recognized fact that we have an almost incorruptible system of recruiting our higher civil servants based entirely on merit. They undergo rigorous training in their disciplines and are given enormous responsibilities from the first day of their postings. It is also true that the civil services have acquitted themselves rather efficiently in country's development. The uninterrupted march of democracy and stability of the Nation during the last six decades is not entirely without the contribution of our civil servants. I think that despite hiccups they have performed reasonably well in maintaining the stability of the nation and sanity of the system of governance.

But however much we may take pride in the quality of our civil servants, it cannot also be denied that they have suffered from a bias towards status quo, inability to learn from the future, working in compartments rather than trying cross-cutting initiatives and failing to be seen as people friendly. In fact, the media and public perception

view the rusted ‘steel frame’ as a well-operated gang of corrupt and incompetent members.

That’s the crisis of the civil services.

A pertinent question is whether senior civil servants committed mistakes in not realizing their relevance to the game of governance? I think they have.

The biggest mistake they committed was that there was no sense of urgency in the senior bureaucrats. Their complacency levels were very high, at least in the first three decades after independence. There was nothing that could displace the All India Services from the heights bestowed on them by the founding fathers of the republic. They reveled in the trust placed on us by Sardar Patel and kept repeating what he had said in his address to the probationers of the first batch of civil servants on 21 April 1947. They did not see the dangers and possibilities clearly. B K Nehru in ‘Nice Guys come second’, merely pointed out the follies of his colleagues and political bosses, but did not give a roadmap of what needed to be done.

They failed to create sufficient urgency in their transactions with the citizen. For them, there was no need to force changes in the mode of administration from the pre-independence era. They underestimated their designated role in the system and were happy to live in their comfort zones. They did not realize that their actions reinforced the status quo. They did not see the crisis that could develop by their lack of foresight. Without a sense of urgency, people do not put in the extra effort that is often essential. They would not make the needed sacrifices. Instead they would cling to the status quo.

Another major mistake of the senior bureaucrats was to act alone. Most of the brilliant officers, who could have set the standards of service, were loners. GG Somaiah in his memoirs thinks that the honest always stand alone. These leaders take pride in showing that they are special and different from their colleagues. Is it surprising that the colleagues do not like or support them? Even the initiatives taken by them were not shared with their teams. The civil hierarchy does not work like a machine.

The individual alone, however competent and charismatic he may be, does not possess the endowments to overcome the inertia of the system. Team building is essentially based on shared perspective and shared goals. A coalition of leaders is more effective than a solitary leader. The aggregation of seniority, reputations, knowledge, abilities and expertise has the power to drive the bulk of administration.

RP Noronha was a little more candid about the risks of acting in the way they did. “One of most common criticisms of the Service was that we were snobs. I do not think we were. The fact of the matter is that isolation or exclusiveness is a necessary insurance for anyone who wields the kind of power a member of ICS or IAS wields... But what were we like as people? Very ordinary I think. Neither plastic saints not complete back guards, although some of us did try...” (A Tale told by an idiot) Nobody realized that individual leaderships attract countervailing forces. A forceful boss can be able to start an initiative but cannot bring about behavioural change in his followers. After his departure, the initiative is either forgotten or is replaced by the initiative of his successor

If a strong guiding coalition had developed in the initial years of administration, its continuance in spite of change in the incumbents would have reduced, if not altogether removed, the massive inertia inherited from the colonial administration.

The third mistake was to ignore the requirement of a sensible civil service vision. The vision helps the constituents to understand their value and inspire positive action to realize the vision. Its reiteration is a constant reminder to the new entrants of their place in the sun. Without a cogent vision, the bureaucracy as a whole ended in a confusing array of disjointed and incompatible paradigms, destined to vapourise into nothingness.

It is surprising that even after 68 years of Indian Constitution having made provisions for the civil services; they have failed to build an identity of their own. Despite the privilege conferred on them by Articles 310-311, they have failed in developing a vision of their own. They have not fixed the benchmarks for their conduct and processes; they have not created safeguards against failing to deliver services to the people.

The net result is that there exists no harmony within any civil service. Unlike the defence services, the civil services have not been able to create a brand image of the 'Civilian' despite having virtually held sway over every nook and corner of a citizen's life.

I believe that there are significant lessons to be learnt from the experience of the last six decades. Perhaps the civil servants of today need to subvert their personal aspirations and start seriously thinking about the civil service of tomorrow. Too long we have toyed with conservative approaches to reform the civil service, which have had limited success in infusing vigour in its functioning. The reforms suggested and implemented have lacked depth and have generally been unidimensional.

Today the in-betweenity of most civil servants is truly amazing. They want to do the right thing, but the luxury of relative security of employment guaranteed by the Constitution prevents them from getting into open hostility with the political masters. They are precariously balanced between a large measure of integrity and avoidance of open conflict with the politician. They conspicuously avoid performing their public duties for fear of being victimized. Benjamin Franklin said 'he that is secure is not safe', and it applies beautifully to the Indian bureaucrat.

Indian bureaucracy today needs a new narrative. It has to come out of the latent conservatism to discover a fresh idiom. Or is it too much to expect?

There is no silver bullet or single action point that can tackle the maladies of governance. Building institutions and enacting laws to counter corrupt practices is a long process. But almost all such initiatives need the will and support of the political establishment, which in the present set up, appears implausible. Pratap Bhanu Mehta says that '...it is really difficult to politically mobilize around the arduous task of institution building. So most anti-corruption politics will remain confined to a slash and burn exercise, useful for knocking down opponents, but with no lasting impact on the sinews of power'.

I believe it is unwise to expect any political establishment to sponsor or promote independent status of major institutions of

governance. A rare political leader would allow the statutory and constitutional bodies the freedom and integrity of institutions of the state is not confined to any one country, much less in a country with vexing plurality like India.

In such a situation, it is necessary and rightful for the civil services to look for a space to restore its credibility. Among many alternatives for bringing about resurgence in its ranks, they will have to think of a fresh narrative independent of political support or sustenance. And I believe that in ethics, they can find that narrative. Besides, Ethics becomes more relevant at the time of extreme discontent

Delivering the LKM Lecture, Soli Sorabji said, “A system of government which does not recognize or pay heed to ethical principles is more akin to a totalitarian regime rather than a genuine democracy. ...But a real difficulty for any democracy is how to maintain high ethical ideals. The individuals who compose it are generally persons who need to follow an ideal, not to set one”

For the past two decades or more, there has been a trend of promoting professional competence and integrity in the civil service. The efforts have mainly centered on the anti-corruption approach. It has ignored an ecological attitude of creating value based linkages between the service providers and their clientele. A cognitive structural exemplar of reorienting the attitudes of service providers has not yet emerged.

It would be appropriate to cite the example of a young administrator who had entered the civil service three years before it happened. While driving through a remote part of her subdivision; she noticed a large number of trucks carrying sand from river bed without any license or permit. There had been more senior officers who had seen this earlier but had chosen to ignore it. They knew that the unlawful activity was being carried out by a powerful political mafia close to ruling party. They knew that it was risky to take on them.

But this did not deter the young woman. She thought it was wrong not only from the point of view of law but also from the point of environment and was not also in the interest of people whose land was involved and the right thing was to stop it. That is what she

did. She ordered the seizure of the trucks and filed cases against the defaulters without thinking of the consequences. What happened to her is widely known. She was victimized by the state Government but her story has become a part of the folklore of India's civil service.

This is ethics of governance. It is not merely following the letter of law but going beyond it. There are similar instances of civil servants going beyond their call of duty to do something to better the lives of many without any expectation of returns in any form.

In my view, to follow the provisions of various acts and regulation is only lawful. The violation of laws of the land constitutes an offence and is liable to be punished under the act. Ethics in the context of public service goes much beyond following the law. Ethics in public service should go beyond the normal meaning of integrity. Therefore, I am of the firm view that ethics for a civil servant needs to be looked deeper in concept and practice.

Unilateral ethical conduct of a significant mass of civil servants seems to have the potential of regenerating dormant energy in the bureaucracy. Of late, we are witnessing growing examples of such conduct especially among the younger ones. The collector of Kozhikode needed the endorsement of the people of his district, not political endorsement, for initiating Operation Suleimani to ensure that no one in the district goes to bed on empty stomach. The sub divisional officer of Manipur did not require political approval for building a difficult hill road by people's participation. A headmistress of a village school in Budaun did not need any approvals for spending money for building state of art lavatories and sanitary napkin incinerator in her school from her own salary. A young Foreign Service officer did not need permission from his political bosses to adopt a village in his district.

These and many other civil servants like them are dismissed as exceptions by cynics and as aberrations by sociologists. Our studies indicate that the number of such 'aberrations' is increasing by the day. They have a demonstration effect too. It is our hypothesis that the cumulative impact of these ingenious initiatives would compel the people and the media to view the civil services differently, and

help in humanizing governance. Needless to say, it would have to be supplemented by training the civil servants both at the time of induction and in mid-career to make them more aware of the needs and aspiration of the marginalized and unprivileged section of the societies. In this regard, National Training Policy of GOI has introduced a welcome feature to accord high priority to ethical training for civil servants.

I said earlier that Ethics of Governance (EOG) is different from Ethics in Governance (EIG). Much has been written on Ethics in Governance. The volume 4 of the ARC II report is fully devoted to it.

ARC on Ethics in governance said that an across the board effort is needed to fight deviations from ethical norms. The Commission believes that its report on Ethics in Governance is among the most important that the Commission has been called upon to write, because increased honesty in governance would have a major impact on the everyday lives of the people of India. The commission is of the view that there should be a set of public service values which should be stipulated by law. As in the case of Australia, there should be a mechanism to ensure that civil servants constantly aspire towards these values.

According to ARC, Public service Values towards which all public servants should aspire should be defined and made applicable to all tiers of government and parastatal organizations. Any transgression of these values should be treated as misconduct, inviting punishment.

The ARC tries to touch the nerve of ‘ethics of governance’ but stops at conventional moral values without engaging the act of governance. Aptly titled ‘Ethics in Governance’, it postulates the adoption of generally accepted mores of ethical conduct like ‘objectivity’, ‘transparency’ and ‘accountability’ etc.

Ethics of governance is qualitatively different from Ethics in Governance. In fact, nobody in my knowledge has bothered to talk or write on EOG which is a linguistic abstraction that has to be designed afresh. It is something fluffy like democracy, freedom, secularism or nationalism. Different people have been defining these

words differently. There are sometimes violent disagreements among intellectuals and activists on meaning and perception. Similarly, we can give the meaning to EOG that satisfies our requirements.

In my view, EOG is much wider and deeper than EIG. It accommodates EIG and goes further. In fact, it continues even after where EIG ends. Unlike EIG, EOG does not have a boundary.

With the benefit of my hindsight, which is 20-20, I realize that I could have done many more good things in various assignments that I held during a 37 year career in the All India Services. Though I have much to be satisfied with, but the thought that there was nobody to guide me when needed bothers me in reflection. I might have passed in the EIG test but failed in the EOG test.

Therefore, concluding what I had to say, I would like to give a rough definition of EOG as: Ethics of governance, in its widest connotation, includes the selfless exercise of the position, and the authority, power and influence that go with it, in the service of the people beyond the boundaries of one's job.

In my view, the civil servant, if she wants to redeem the lost public respect and reinforce her utility in the delivery of services to the citizen, she ought to go further than doing her job sincerely and honestly and do more than what is expected of her.

Balvinder Kumar

Good Governance and Mindfulness

Governance, performance and stress at working place are intimately connected with each other. Many studies provide evidence for the correlation between governance related indicators and overall performance of workforce in the organisations. The private and public sector companies adopting good governance practices; perform far better compared to others. Even in the states that follow best practices in governance excel in their performance. On the other hand, it's a well-established fact that as stress level increases in the workplace, performance declines of that organisation. Stress affects the ability of the working force both at individual and collective level to perform efficiently for the organisation.

In today's hyper competitive world, whole society is becoming more and more stressed. Working class is worst affected especially in India. Workplace is number one cause of mental stress. Most of the organisations are working under highly aggressive environment having pressure to be more productive, efficiency and profit generating. Long working hours, tight timelines and over ambitious targets cause overload of work leading to mental stress. Unfortunately, senior executives and leaders are far more stressed and create stress for others. They mostly fail to create a stress free environment. Working conditions are therefore unpleasant and uncondusive in most of the private and public sector enterprises in India. Though the trend is changing but it's not encouraging.

The recently-released findings of the 2018 Well-Being Survey, conducted by Cigna TTK Health Insurance, show that stress levels

are higher in India compared with other developed and emerging countries, including the United States, UK, China and Brazil. Nearly 9 in 10 Indians suffer from stress. India has topped work and finance-related stress levels once more according to the survey. It further revealed that 95 per cent of Indian millennials between the age group of 18-34 are stressed. Making matters worse, one in eight Indians have serious trouble in dealing with stress. They felt the need for a better wellness programme on the part of their employer. More recently, in January 2019, the Economic Times, citing a survey from HR tech startup Hush, reported that one out of every five employees of India Inc, India's formal sector is suffering from workplace depression.

Mental stress is simply because of the reason of not managing our mind in an efficient way. We generally don't know how to prioritise work and time efficiently. Besides, we often fail to manage relationships with those working in the same workplace. Many create mental tension and harassment for others. Under stress our mind becomes agitated. We become obsessive of certain thoughts under stressful conditions. Under chronic stress conditions, cascade of hormones are released including stress hormone i.e. cortisol. It's secreted by adrenal gland situated above our kidneys. Increased levels of cortisol in blood contributes to serious health problems, such as heart disease, high blood pressure, diabetes, obesity and other illnesses, as well as mental disorders like depression or anxiety. Millions of people die every year because of these diseases in India because we don't know how to cope up with chronic mental stress in life.

Mindfulness is the only natural way of handling mind under stressful conditions. The solution of many of the problems, if not all, relating to mind can potentially be taken care of if we are mindful and fully aware about what's happening in our surrounding environment. We need to cultivate mindful living. When we are mindful we pay attention to the present moment. We act non-judgmentally and in open manner. We can't be in a state of mindlessness or impulsiveness if we are fully present on any moment. When we are mindful, we can observe our thoughts and feelings from a distance, without judging them.

In corporate world, mindful executives are capable of focusing more readily on issues at hand, adapting to challenging situations and take broader perspective into their account. Employees and workers look forward to executive for redressal of their issues. Unfortunately, they are more stressed and unhappy themselves. So how can they address their problems if they themselves are suffering from working conditions? However, mindful executives are more compassionate and empathetic towards their workforce. In this way, they are more committed to happiness and overall wellbeing of the organization.

According to Harvard Business Review, a mounting pile of scientific research shows mindfulness helps relieve stress and anxiety, improves concentration and memory, inspires creativity and strategic thinking and fosters a more collaborative environment. This can be especially helpful in high-stress situations in which the chief executives are expected to be the ultimate decision-maker. Its popularity is growing very fast among CEOs to build leadership skills and enhance overall productivity. Mindfulness practice helps them in achieving high degree of mental clarity, focused attention and ability to see things in bigger perspectives.

There are many ways to cultivate mindfulness at work, from walking during the day to taking purposeful pauses when eating. One of the most reliable ways is simple meditation. Mindfulness meditation is increasingly becoming popular in several Fortune 500 organizations including General Mills, Goldman Sachs, Facebook, Ford, Google, Apple, Aetna and Nike. Forbes reported that 22% of the Fortune 500 companies had mindfulness programs in 2016 and this figure was supposed to be doubled in 2017. In USA, mindfulness has already become a billion-dollar industry, according to Fortune. In USA, large numbers of universities, colleges, hospitals and other institutions are introducing mindfulness programmes and short term courses in a big way.

Even in India, private companies have started training programmes on meditation. Separate rooms for relaxation and meditation are being earmarked in each floor. Timings are flexible. Whenever employees feel like, they can spend 20-30 minutes during working hours. Gradually it's becoming popular. Mindfulness India

for Cultivating Excellence in Leadership is being organised in Mumbai in October, 2019. Mindfulness is creating waves in corporate corridors. In large number of government schools in Delhi, children are being taught how to be mindful. Hospitals are started using it for pain management. However, in India, meditation industry is at nascent stage.

As a part of good governance initiative, meditation and other mindfulness practices must be introduced in corporate entities. Government organisations including CPSEs must take a lead in mindfulness training for their executives. If they are able to provide mindful leadership in their organisations then work culture can surely see transformation changes. We must adopt top-down approach. If government schools in Delhi can teach mindfulness, why not other educational institutions. India, despite being the seat of mindfulness, has failed to reap the benefits of the practice in the mainstream until quite recently. Luckily, in the last few years, mindfulness practices have gradually begun its inroads into good governance.

BOOK REVIEW

The Steel Frame-A History of the IAS

Deepak Gupta

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Pages: 354

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ISBN: 978-81-938608-4-7

It is perhaps one of the best books written on the subject of Indian bureaucracy as the author's own experiences though mentioned in the course of description do not overshadow the narrative which is characteristic of many of our bureaucrats.

The book starts and deals extensively with the early history of the British Administrative system and the origin of the Indian Civil Service. Then it moves through the transition from ICS to IAS to the inevitable comparison of the two services

What I like about the book is that it deals with the history of the service and talks of its changing structure and emphasis since the earliest days. There are empirical facts about the protagonists of the service. The author has tried to bring out the best among them.

The book is full of extracts and other references particularly from the writings of ICS officers. I have had the experience of working with some of ICS officers in the early years of my career and learned a lot from them. Some of the illustrious ones were J D Shukla, B B Lal, J S Lall, Govind Narain, and N K Mukarji. They had their virtues and their flaws.

The book is well written, nuanced, and does not take extreme positions. Many sources are quoted, many incidents and events mentioned, individual officers are also named where necessary. Chapter six is particularly informative and interesting for the students of political and administrative history.

There are different social milieus from where the members in the IAS come. They come from the middle salaried class, the small business family, the elites, the prosperous farmer, the poor, the dalit, the upper classes, minorities, men and women. Each has a different centripetal force to guide them into the whirlpool. Some come with the aspirations of nation building; others are attracted by the glamour, still others are interested in personal development, a few join to escape their family poverty.

In my view the mistake made by the early lawmakers of Independent India was to treat IAS as a successor service to ICS. Not much thought was given to the structure of the new service in the changing conditions of public service. What Sardar said was not converted into authentic reality. The mould was the same but the substance widely different.

At the point of independence, the remaining ICS officers should have been kept in a separate category from the emerging IAS. Instead they were not only retained in the system as role models but also as guides in training IAS officers. Curiously, even the premier training institution for IAS was headed by ICS officers. The Director of the National Academy of Administration during my training period was S K Dutta, an ICS officer of eminence. He assessed my performance and judged me as the best probationer of the 1963 Batch. I do not, however, know which criteria he applied while evaluating my batch.

Dharam Vira says: ‘from being a purely law and order administration, it was deliberately converted to a welfare administration. This in itself required a complete overhaul of the outlook of the administrators. They had to now look at the problems from the point of view of the people.’

Unfortunately, they were not equipped with that ‘point of view’; they continued to perceive themselves as genetic descendents of the hallowed ICS and missed the opportunity of becoming peoples’ administrators.

It was an unwritten law that that the Civil Officers should see things with their own eyes, do things with their own hands, and

inquire into things for themselves. Thus they came to know the people, the people learned to know them.

Charles Aitcheson, ICS

This pen picture was for the ICS officer. Unfortunately, despite the timely exhortation by Sardar Patel, to whom the birth of All India Services is owed, the IAS failed to evolve such a picture for themselves.

The IAS as a service did not pause to appreciate the difference between a 'Civil officer' and a 'Civil servant'. They did not delve into the differences between ICS and IAS in detail. It was not realized by them that their predecessors belonged to an Imperial institution that was meant to serve the Empire, not the people of a 'subjugated' land. In a historical comparison of the two bodies of civil functionaries, the IAS looks small, almost a dwarf.

In my hindsight view, the mistake was to treat the IAS as a successor service to the ICS. Not much thought was given to the vision, structure and training of the new service in the desired mode. What Sardar said in the Constituent Assembly was not enough. It left room for confusion. Besides, what Sardar said was not converted into processes and algorithms. The new entrants were put in the old moulds into which they did not fit. While the material was largely of the same quality, a fresh idiom should have been prepared for them. It was not done. Perhaps relevant expertise was not available

The remaining ICS officers were put in the same system as the new officers of a vastly different service. In my view (in the hindsight) they should have been kept separate. That many of them adapted well to the emerging conditions of governance is really creditworthy, but it should have been imprinted on IAS officers that ICS was a creature from a different planet.

Dharma Vira, who was cabinet secretary from 1947 to 1950, says, 'during that period new orientation was given to the administration by bringing about sweeping changes. From being a purely law and order administration, it was deliberately converted to a welfare administration. This in itself required a complete overhaul of the outlook of the administrators... for some of the civil servants who

for very appreciable period of their lives were trained to work for the law and order system of administration it was not easy to get adjusted.’

The ICS officers did not adjust. The new IAS officers were not compelled to adapt to the new conditions effortlessly.

I find the chapter on the training of the civil servant especially relevant to examine the legitimacy of the IAS. Deprived of quality training in the initial stages as a telling comment from a senior IAS officer- ‘training did not communicate any central ethic of what the service is all about’- shows, the members have lost the glimmer of being recruited strictly on merit by UPSC, an institution known for its integrity and fairness. Deepak says that ‘the basic point is that training must be linked to the future work while continuing to emphasize the values that an officer must have’.

Today it is fashionable to perceive IAS as ‘elitist, insulated, authoritarian, aloof, unresponsive, insensitive, rule bound, status-quoist with an all pervasive feeling of negativism’. Much of the perception is exaggerated but the fraction that is correct sticks like mud on the face of the entire Service.

The book ends with a question posed by an ex cabinet secretary whether it is too late to reinvent a model of citizen centric politico-bureaucratic relationship. Deepak’s answer seems to be in the affirmative.

Prabhat Kumar

Not Just A Civil Servant

Anil Swarup

Published 2019 by Unicorn Books Pvt. Ltd.

Pages: 182

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ISBN: 978-81-7806-479-6

‘Not Just A Civil Servant’ is a travelogue covering a journey full of events in the life of a civil servant, an IAS officer of the UP cadre. The book covers his travails and tribulations while working in different positions of district administration as also in a State parastatal in the State of Uttar Pradesh and in the Centre working for the Government of India in New Delhi.

Anil Swarup, the author, is a par excellence story teller. He narrates a tale and has the audience spell-bound. He writes in a language which is simple, straight, and direct. This book is not an autobiography for, it tells very little about the author’s own life, his childhood, his family and friends but has confined itself to the experiences and issues faced in the long career of 38 years spent in civil service.

The early years spent in the State gave him many opportunities to see big events from close quarters and a basic quality to help the poor has brought what he calls ‘humane stories’ to the fore. It is as if he kept a diary and wrote the events as they happened and now turning the pages of the old diary, he writes about the days spent in the Academy in Mussoorie and earlier in the Police Academy in Mount Abu. He recalls the game of cards that gave him the first posting and the interactions with the Chief Minister, all of which make the early pages of the book. His firm belief is that a committed District Magistrate can do a lot if he so desires and despite the status quoist nature of his job, initiative on his part is normally received and accepted quite well.

The main story in the book, which is nearly one third of the book is Anil Swarup’s flagship performance when he was in the Ministry of Labour in New Delhi and was assigned the task of what has now come to be known as the Rastriya Swastha Bima Yojna (RSBY). This

story itself could be a book to inspire many a young bureaucrat. This experience has made the author not only well-known in the country but in many countries abroad where people wanted to know how such a scheme could actually work. The book covers in detail how the scheme started and finally took off. The gratitude of a beneficiary as the biggest award stated by the author stays in the mind and I would like to quote this incident from the book:

“ ‘Beta, Idhar Aao’ (come here my son)- a feeble voice called me as I stood in a Delhi hospital. I was there to check on a patient. Turning around I found an old lady lying in a bed nearby. She waived and signaled me to go over to her. As I approached, I saw an emaciated figure that looked weak and haggard. She tried to get up but could not. The pain was writ large on her face, but she greeted me with a smile. Someone had told her that I was associated with the Rashtriya Swasthya Bima Yojna. She had the RSBY smart card in her hand and was flashing it to me. As I inquired about her welfare, she confessed that she was in pain but conveyed her appreciation for the hospital staff that had looked after her very well despite her inability to pay a single penny to them, as she was poor. She seemed resigned to her fate as she admitted that time had come for her to meet the Almighty. But, I wasn’t prepared for what came next. She was in all praise for the scheme and said that she would convey this to the Almighty when she would meet Him and seek His blessings for the scheme. Gradually, she gathered her strength to sit up and raised her hand to bless me. The scheme has won several awards but this one was the best.”

And it speaks volumes when he writes how red tape came in the way of getting a reward for the scheme!

Anil is an optimist and a doer. He has always had a positive attitude in life. In the Centre, apart from working in the Ministry of Labour, Anil worked in the Cabinet Secretariat as the Head of Project Monitoring Group (PMG) as Secretary Coal and later as Secretary School Education. There are interesting experiences at all these places and his one liners tell it all:

‘There is no dearth of advisors in India. They are all around you. These Rai Sahebs (advisors) come in all shapes and sizes.’

‘We very conveniently blame politicians for all the ills. However, isn’t it true that 5Cs (namely CBI, CVC, CAG, CIC and Courts) contribute substantially in creating an inhibiting environment for quick and effective decision making that impacts development?’

‘There is nothing wrong in becoming rich and famous. Many people have such an aspiration. This is also true of civil servants. However, whereas rich has cost a number of civil servants quite dearly, becoming famous has not.’

‘I discovered that where as in the coal sector, mining was underground and mafias operated above, in the ‘mine’ of school education, it was the other way round. All the mafias existed underground and they were all masked, masquerading as noble giants.’

A very readable book indeed and since it is quite contemporary, one can easily identify with the events and situations. After you go through the book, one gets a very positive feeling and that doing good is still possible. Yes, there are problems, yes there are difficulties, yes there is political and other interference, yes, yes, yes- but one can still do something- one can still wipe a tear- one can light a candle and not curse the darkness.

Mahesh Kapoor

OUR CONTRIBUTORS

ANAND P GUPTA, a former Professor of Economics and Chairman, Economics Area, at the Indian Institute of Management, Ahmedabad, is currently Director, Economic Management Institute, New Delhi, and a Member of the Board of Directors, IC Centre for Governance, New Delhi.

ANIL CHOWDHRY, an IPS officer and former Secretary, Internal Security, Ministry of Home affairs [MHA], is currently the chairman of the study steering committee constituted for the project on Technology foresight for security of individuals, society and infrastructure undertaken by TIFAC, Dept. of Science and Technology. He is a thought leader and a highly respected speaker on current issues on internal security of the country.

B P MATHUR is a former is a former member of Indian Audit & Accounts Service and has worked as Deputy Comptroller & Auditor General; Additional Secretary, Government of India and Director National Institute of Financial Management. He holds Ph.D and D.Litt in Economics from University of Allahabad and has authored books on governance, economy and finance. His recent books are Ethics for Governance and An Alternative Philosophy of Development.

BALVINDER KUMAR, an IAS Officer of 1979 Batch of UP Cadre, he superannuated as Secretary, Mines, Government of India in February 2017. His other important assignments included Chairman and CEO of NOIDA as well as Vice Chairman of DDA. He is a regular practitioner of transcendental meditation. He has held art exhibitions with oil and acrylic 'abstract' paintings and has published two books. Currently, he is Member, U.P. Real Estate Regulatory Authority.

P.S. BAWA joined the Indian Police Service in 1964 after spending three years in the Rajasthan Administrative Service. He retired as Director General of Police in 1997 and became member of the Delhi Prison Reform Committee. He was also Chairman, Transparency International India.

PRABHAT KUMAR is a former Cabinet Secretary and the first Governor of Jharkhand. He has a Masters' Degree in Physics and Mathematics from the University of Allahabad and a Masters' Degree in Economics from the London School of Economics. Currently, he is the President of the IC Centre for Governance and is on the Board of several Committees related to ethics in governance.

RAGHU DAYAL did a Masters in History from St. Stephen's College, University of Delhi and then joined the Indian Railways in 1957. He was the former Managing Director of CONCOR. He has worked for several International Organisations like UNCTAD, UN.ESCAP as a Consultant and has written extensively on management issues.

V.K. AGNIHOTRI, a Former Secretary General of the Rajya Sabha, is a retired IAS officer of 1968 batch, of the Andhra Pradesh Cadre. He has a Ph.D. in Public Policy Analysis and Design from IIT, Delhi and is a Visiting Fellow at the Queen Elizabeth House, University of Oxford. He has several publications to his credit including Environment and Development, Skills for Effective Administrators and Public Policy Analysis.

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Trustee MRA

Rajmohan Gandhi
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Sarosh J. Ghandy
Former MD, Tel-con Construction Company

Shanti Narain
Former Member Traffic Railway Board

Soli Sorabjee
Former Attorney General of India

Surendra Singh
Former Cabinet Secretary
Syed Shahid Mahdi
Former Vice Chancellor, Jamia Millia Islamia

T.S. Krishnamurthy
Former Chief Election Commissioner of India

Ved Marwah
Former Governor of Jharkhand

Yogendra Narain
Former Secretary General Rajya Sabha

Contributors

Anand P. Gupta * Anil Chowdhry * B.P. Mathur
Balvinder Kumar * P.S. Bawa * Prabhat Kumar
Raghu Dayal * Vivek K. Agnihotri

IC CENTRE FOR GOVERNANCE

3, Palam Marg, 3rd Floor, Vasant Vihar, New Delhi-110057

Telefax: 91-11-26146236/40809939

E-mail: iccfg@yahoo.co.in • Website: www.iccfg.net